SASKATCHEWAN WORKERS' COMPENSATION BOARD

2002 Annual Report

Contents

3 WorkSafe Saskatchewan

4 Year at a Glance

5 Letters of Transmittal

6 Chairman's Report

9 CEO's Report

12 Risk Management Plan

15 Financial Highlights

22 Statistical Summary

24 Injury Rates and Claim Durations

25 Appeals Report

29 Financial Report 2002

Vision / Mission Statement

Working together, we will excel in the development and delivery of workers' compensation programs and services.

We will:

- Provide the right service, at the right time, and be cost-effective in our processes.
- Act with dignity and treat everyone with respect.
- Conduct our business in a fair, open, honest and professional manner.
- Bring about positive relationships with workers, employers, and others affected by the workers' compensation system.
- Communicate our distinct identity, benefits and values.
- Expect and recognize individual and corporate achievements and contributions to our workplace.
- Ensure the financial integrity of the Workers' Compensation Board.

Our vision / mission statement describes our preferred future – excelling in service delivery – and our approach to achieve it. We define cost-effective processes as being effective or productive in relation to their cost.

103-04722/

Statement of Beliefs

Our fundamental corporate beliefs remain rooted in the Meredith Principles:

1. **No-Fault:** workplace injuries are compensated regardless of fault.

2. **Collective Liability:** the total cost of the compensation system is shared by all employers.

3. **Security of Payment:** an injury fund is established to guarantee that compensation monies will be available.

4. **Exclusive Jurisdiction:** all compensation claims are directed solely to the compensation board.

5. **Independent Board:** the governing board is both autonomous and non-political.

Our corporate beliefs are:

- Injured workers and employers deserve excellent service.
- Workers, employers, and others deal with us honestly.
- Employers care about their employees and care that their employees receive excellent service.
- The WCB's future relies on positive relationships built on trust and confidence in our actions and decisions.
- WCB employees want to excel in customer service.
- The WCB is guided by its corporate values in all of its decisions.

Our statement of beliefs describes what we hold to be true about Saskatchewan's compensation system, our stakeholders, and the nature of our relationships with workers, employers, and the people of Saskatchewan.

Value Statements

Dignity – those we serve and those we work with are treated with respect and consideration.

Fair – those we serve and those we work with are treated equally and without prejudice or bias.

Honest – those we serve and those we work with are treated truthfully.

Open – our programs and services are easy to access and to understand. Our decisions and actions are clear, reasonable and open to examination.

Our value statements set the standard by which actions and decisions are to be considered by our employees and to be judged by our stakeholders.

Contents

3 WorkSafe Saskatchewan

4 Year at a Glance

5 Letters of Transmittal

6 Chairman's Report

9 CEO's Report

12 Risk Management Plan

15 Financial Highlights

22 Statistical Summary

24 Injury Rates and Claim Durations

25 Appeals Report

29 Financial Report 2002

Vision / Mission Statement

Working together, we will excel in the development and delivery of workers' compensation programs and services.

We will:

- Provide the right service, at the right time, and be cost-effective in our processes.
- Act with dignity and treat everyone with respect.
- Conduct our business in a fair, open, honest and professional manner.
- Bring about positive relationships with workers, employers, and others affected by the workers' compensation system.
- Communicate our distinct identity, benefits and values.
- Expect and recognize individual and corporate achievements and contributions to our workplace.
- Ensure the financial integrity of the Workers' Compensation Board.

Our vision / mission statement describes our preferred future – excelling in service delivery – and our approach to achieve it. We define cost-effective processes as being effective or productive in relation to their cost.

103-04722/

Statement of Beliefs

Our fundamental corporate beliefs remain rooted in the Meredith Principles:

1. **No-Fault:** workplace injuries are compensated regardless of fault.

2. **Collective Liability:** the total cost of the compensation system is shared by all employers.

3. **Security of Payment:** an injury fund is established to guarantee that compensation monies will be available.

4. **Exclusive Jurisdiction:** all compensation claims are directed solely to the compensation board.

5. **Independent Board:** the governing board is both autonomous and non-political.

Our corporate beliefs are:

- Injured workers and employers deserve excellent service.
- Workers, employers, and others deal with us honestly.
- Employers care about their employees and care that their employees receive excellent service.
- The WCB's future relies on positive relationships built on trust and confidence in our actions and decisions.
- WCB employees want to excel in customer service.
- The WCB is guided by its corporate values in all of its decisions.

Our statement of beliefs describes what we hold to be true about Saskatchewan's compensation system, our stakeholders, and the nature of our relationships with workers, employers, and the people of Saskatchewan.

Value Statements

Dignity – those we serve and those we work with are treated with respect and consideration.

Fair – those we serve and those we work with are treated equally and without prejudice or bias.

Honest – those we serve and those we work with are treated truthfully.

Open – our programs and services are easy to access and to understand. Our decisions and actions are clear, reasonable and open to examination.

Our value statements set the standard by which actions and decisions are to be considered by our employees and to be judged by our stakeholders.

The Meredith Principles

The Meredith Principles were articulated by Sir William Meredith in 1910 and later adopted by all Canadian jurisdictions. Saskatchewan's compensation system began with these Meredith Principles in 1930 and has continually reaffirmed their importance.

The Meredith Principles continue to ensure that the compensation system contributes to social and economic stability, and positively affects quality of life in Saskatchewan.

1 No fault compensation: every work-related injury is covered regardless of who is to blame – the employee, employer or co-worker.

2 Security of benefits: the system shall be fully funded to ensure that there are sufficient funds to meet current and future costs arising from work injuries.

3 Collective employer liability: all employers contribute to the system based on industry groupings, thus ensuring certainty of payment for injured workers and removing the risk of bankruptcy for employers.

4 Independence of the Board: the system shall be governed by an independent Board which can fairly serve and respond to the needs of workers and employers without partisan political influence.

5 Exclusive jurisdiction: the Board has exclusive jurisdiction so that each claim can be considered on its individual merits and benefits can be provided promptly without the need to sue for damages.

WorkSafe Saskatchewan – Making Injury Prevention a Priority

WorkSafe SASKATCHEWAN

On February 2, 2002, Minister Responsible for the Workers' Compensation Board Deb Higgins and WCB Chairman John Solomon announced the launch of WorkSafe Saskatchewan. WorkSafe is geared to promoting a positive safety culture in the workplace by integrating province-wide safety and injury prevention programs that effectively reach province-wide audiences.

Mission

WorkSafe Saskatchewan's mission is to foster workplace partnerships committed to preventing the causes and reducing the impacts of occupational illness and injury.

The mission statement emphasizes the importance of fostering workplace partnerships in recognition of the fact that it is much more difficult to make significant reductions in occupational illness and injury rates without joint action from workers, employers, unions, safety associations, educators, health care providers and a host of other groups. These types of integrated community based approaches result in pooled resources that avoid duplication of efforts by organizations and groups carrying out prevention activities.

Guiding Principles

WorkSafe Saskatchewan's guiding principles set out the way in which WorkSafe will operate and help decision-making around the fit of any given activity.

1. Commitment Model – Operates as a commitment model emphasizing shared workplace responsibility for preventing the causes and reducing the impacts of occupational illness and injury.
2. Innovation and Creativity – Encourages innovative and creative partnerships and projects, which target demonstrated needs of specific workforce populations, workplaces, injuries or illnesses.
3. Community-Based – Encourages community-based activities that address issues using the capabilities and resources within the community or workplace.
4. Determinants of Injury – Addresses proximal determinants of injury as well as more immediate risk factors.
5. Operating Principles – Activities are:
   - Co-ordinated with other prevention initiatives to avoid duplication
   - Evidence-based to achieve desired and sustainable outcomes
   - Systematic and persistent; and
   - Efficient, effective, transparent and measurable.

Strategies

WorkSafe Saskatchewan's activities reflect three strategies adopted to reflect the mission statement:

1. Promote Prevention – to develop and implement promotional campaigns that advance prevention, using the WorkSafe brand name.
2. Education and Training – to facilitate occupational health and safety education and training.
3. Share Resources and Information – to develop and coordinate initiatives and to share information that advances prevention activities.

WorkSafe
SASKATCHEWAN

On February 2, 2002, Minister Responsible for the Workers' Compensation Board Deb Higgins and WCB Chairman John Solomon announced the launch of WorkSafe Saskatchewan. WorkSafe is geared to promoting a positive safety culture in the workplace by integrating province-wide safety and injury prevention programs that effectively reach province-wide audiences.

Mission

WorkSafe Saskatchewan's mission is to foster workplace partnerships committed to preventing the causes and reducing the impacts of occupational illness and injury.

The mission statement emphasizes the importance of fostering workplace partnerships in recognition of the fact that it is much more difficult to make significant reductions in occupational illness and injury rates without joint action from workers, employers, unions, safety associations, educators, health care providers and a host of other groups. These types of integrated community based approaches result in pooled resources that avoid duplication of efforts by organizations and groups carrying out prevention activities.

Guiding Principles

WorkSafe Saskatchewan's guiding principles set out the way in which WorkSafe will operate and help decision-making around the fit of any given activity.

1. Commitment Model – Operates as a commitment model emphasizing shared workplace responsibility for preventing the causes and reducing the impacts of occupational illness and injury.
2. Innovation and Creativity – Encourages innovative and creative partnerships and projects, which target demonstrated needs of specific workforce populations, workplaces, injuries or illnesses.
3. Community-Based – Encourages community-based activities that address issues using the capabilities and resources within the community or workplace.
4. Determinants of Injury – Addresses proximal determinants of injury as well as more immediate risk factors.
5. Operating Principles – Activities are:
   - Co-ordinated with other prevention initiatives to avoid duplication
   - Evidence-based to achieve desired and sustainable outcomes
   - Systematic and persistent; and
   - Efficient, effective, transparent and measurable.

Strategies

WorkSafe Saskatchewan's activities reflect three strategies adopted to reflect the mission statement:

1. Promote Prevention – to develop and implement promotional campaigns that advance prevention, using the WorkSafe brand name.
2. Education and Training – to facilitate occupational health and safety education and training.
3. Share Resources and Information – to develop and coordinate initiatives and to share information that advances prevention activities.

Year at a Glance†

	2002	2001	2000	1999	1998
Number of workers covered *	**306,518**	308,719	306,469	305,103	300,135
Lost time claim rate (per 100 workers)**	**4.95**	4.79	4.71	4.30	4.36
Number of claims reported	**39,821**	38,240	37,717	36,346	37,657
Number of lost time claims accepted**	**15,174**	14,786	14,433	13,108	13,081
Permanent Functional Impairment awards	**484**	407	443	390	320
Fatal claims accepted	**16**	29	35	31	27
Number of appeals filed					
Appeals Committee	**979**	826	873	813	892
Board Level	**297**	246	201	212	252
Return to work percentages					
Secondary treatment centres	**90%**	91%	85%	87%	84%
Tertiary treatment centres	**69%**	66%	66%	67%	70%
Claims costs (in millions)	**223.3**	239.3	145.6	142.1	135.2
Active employer accounts ***	**31,327**	31,225	31,657	32,454	32,046
Premium revenue (in millions)	**156.6**	147.8	124.8	141.5	146.4
Average actual premium rate (per $100 of insurable earnings)	**1.75**	1.70	1.73	1.77	1.80
Investment revenue (in millions)	**46.0**	72.0	105.6	96.2	78.8
Benefits liabilities (in millions)	**778.5**	700.5	599.9	592.1	575.8
Reserves and Injury Fund (in millions)	**(43.5)**	50.0	137.0	132.3	143.9

† Some five-year statistical information updated to conform to AWCBC data collection and analysis.

* Full-time equivalent workers based on Statistics Canada average wage and WCB payroll information. 2002 full-time equivalent workers based on estimate of both average wage and payroll information.

** Number of time loss claims and the lost time claim rate are as at December 31, 2002.

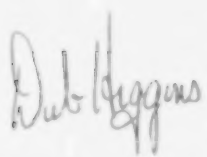
*** Includes only active employers as at December 31, 2002.

Letters of Transmittal

The Honourable Lynda Haverstock
Lieutenant Governor
Province of Saskatchewan

May it please Your Honour:

I respectfully submit the Annual Report of the Workers' Compensation Board for the Calendar Year 2002.

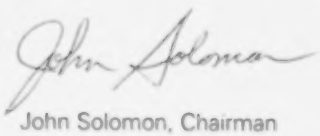


Debra Higgins
Minister of Labour

The Lieutenant Governor in Council:

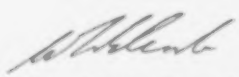
We are pleased to submit the seventy-third Annual Report of the Workers' Compensation Board for the year ending December 31, 2002.

Respectfully submitted,



John Solomon, Chairman

N.J. Brown, Board Member



Walter Eberle, Board Member

Chairman's Report

Injury prevention is our best opportunity to leverage change

The compensation system we administer – collecting revenue from employers to pay for the costs of workers' injuries – is under intense external pressure.

Our investment revenues continue to fall in response to the poor performance of investment markets. At the same time, compensation costs are relentlessly rising as injury numbers increase. The result is that we continue to face significant annual deficits, and our reserve funds are disappearing.

It's no surprise that employers' premium rates will rise in 2003, with increases projected for 2004 as well. The Saskatchewan WCB has long maintained some of the lowest premiums in the country – and even in 2003 will still be the third lowest among the provinces. But unchecked increases in costs, along with volatile markets, threaten this economic advantage.

In this environment, the Board's mandate is to find ways to keep the WCB financially sound, while maintaining benefits to injured workers and reasonable costs for employers. It is a mandate that grows more challenging every year.

Board Members l. to r.:
Walter Eberle
Labour representative
John Solomon
Chairman
Norm Brown
Employer representative

The three Board members – the chairman and the members representing labour and employers – have two primary means for action.

First, while we cannot affect the investment market, we can ensure that our management team runs a tight ship; that internal administration is constantly seeking process improvement and is not contributing to cost increases.

To do this, the Board sets policies and confirms a strategic plan for the WCB, and holds management accountable to deliver on them. In this report, the CEO documents the excellent progress that management and staff have made in enhancing efficiency and effectiveness over the last year. Their consistent focus on long-range strategies has meant that Saskatchewan's WCB has been able to keep its administrative costs in check despite inflationary and program pressures.

Second, the Board members must take an aggressive leadership role regarding the levers of change that are not totally under our control – where the ability to act is shared with our stakeholders: the employers and workers of Saskatchewan.

The most important of these levers is the ability to prevent injuries. It is the rising number of injuries that is most threatening to the compensation system. This is where new action is required in the immediate future. The well-known saying in compensation circles is as true as ever: "the least-cost injury is the injury that never takes place." And it applies to both financial and human costs.

Looking at the world through WCB eyes has confronted us as Board members with the most unsettling images. Workers disabled by lost limbs. Employees sidelined from normal life by excruciating back injuries. Family members who have lost their breadwinner to a workplace tragedy.

Injury prevention is the most under-rated public health issue in Canada. Despite the fact that injuries are 90 per cent preventable, the rate of injuries continues to increase each year. For the WCB, that translates into millions of dollars every year in rising costs.

The Board members are convinced that we must place a new priority on injury prevention. If we don't, unacceptable human suffering and unmanageable financial losses will continue.

If there are lessons to be learned from 2002, it is that the uncontrollable external forces – especially the investment markets – will continue to work against us in the near term. When we look at what is under our full control – that is, our internal administration – we see great progress has been made. But administration is a small fraction of our total costs. Current and future administrative efficiencies cannot provide the kind of savings we need to offset external cost pressures.

That means our only untapped option for significantly reducing financial pressures is increasing the shared commitment to injury prevention.

As you will read in this annual report, our organization has laid out a clear risk management plan. Among the risk management strategies in that plan, injury prevention stands out as the single most important component. The area of greatest risk is also the area of greatest opportunity, and the WCB is initiating strong action.

WorkSafe Saskatchewan – the province's initiative to consolidate injury prevention activities under one umbrella – was launched last year. WorkSafe's presence will expand in the year ahead, and the WCB will strategically invest in building a coalition of commitment with employers and workers to turn the tide of injuries.

Our success will be determined by how well we convince workers and employers to join us in working together to reduce human and financial suffering in Saskatchewan's workplaces.

Shared initiatives are challenging to manage, but must be accomplished. The WCB's mandate is to facilitate and administer a system that is made up of powerful stakeholders. We will continue to fulfill that mandate with our new focus on joint injury prevention.

Our commitment to excellence is based on a cooperative, open, effective and financially stable compensation system. Like all businesses, the WCB faces challenges and risks that have to be strategically identified and confronted. The Board has mandated our Executive Management team to mitigate those risks, and to pursue that responsibility in close collaboration with Saskatchewan's workers and employers.

The initiatives that will occur in the months ahead will be new, but they are a natural extension of the WCB's vision statement that says: "Working together we will excel in the development and delivery of workers' compensation and injury prevention programs and services."

John Solomon
Chairman

CEO's Report

Internal strategies
are working,
but external cooperation
will determine the future

Management balances two overriding priorities: on one hand, responding to the policies and expectations of its governing Board; and on the other, responding to the current environment in which those policies are to be applied and their expectations fulfilled.

The Saskatchewan WCB's operating environment encompasses powerful external forces beyond our control. That is why management must increasingly work closely with our stakeholders if we are to fulfill our responsibilities successfully in today's harsh world.

Financial choices create challenges

For revenue, the WCB relies on employer premiums and investment earnings. Continuing poor returns in the market have meant shortfalls of more than $50 million in both '01 and '02, with significant shortfalls expected to continue for some time, based on analysts' market forecasts.

In addition, our mandate is to provide legislated benefits to injured workers, and those injuries and their costs have been steadily rising at the same time our revenue has been falling.

Management can provide the Board with only three options: increase internal efficiency, reduce external costs and raise premiums.

Strategic choices produce results

The WCB's strategic plan has been effective in controlling internal costs and has positively influenced some external costs. For example, the plan focuses on team-based case management, emphasizing quality assurance processes and a high level of management accountability.

Together, these disciplines have demonstrated results, especially as the system of customer support teams tested in 2001 was put into full operation in 2002. Perhaps the most significant result has been a 2.3-day reduction in the duration of short-term claims, and an overall net reduction of two days in all durations.

Executive Members l. to r.:

Gail Kruger
Vice-President, Finance & Information Technology

Graham Topp
Vice-President, Operations

Peter Federko
Chief Executive Officer

Donna Kane
Vice-President, Human Resources & Team Support

Internal administrative costs per time loss claims remain among the lowest proportionately of any provincial compensation board in Canada. Despite inflation, administration costs were unchanged from 2000 to 2001, and show a slight decrease in 2002. In terms of increased productivity, we saw 388 additional time loss claims being added to our case loads in 2002 without any increase to the number of WCB staff.

Some key controllable administrative timelines on case management are now falling. This is critical because the amount of time an injury claim is open affects its cost. The reduction in claims duration achieved in 2002 gives Saskatchewan the shortest duration of any province in Canada. Medical cost per claim fell by five per cent. The number of files requiring referral to vocational rehabilitation also fell as shorter durations resulted in more workers being able to return to the same or similar work as they had before their injury.

Equally important, these strategic disciplines have been accomplished without significantly affecting client care.

Saskatchewan's compensation system has the best result among the provinces when it comes to calendar days from claim registration to first payment. Our continuous monitoring of customer satisfaction shows levels have remained high despite a slight drop-off from 2001 (employers saying they were satisfied overall with service was 93 per cent in '01 and 91 per cent in '02; the numbers for workers was 91 per cent in '01 and 85 per cent in '02).

Operational enhancements will continue. A WCB team is now reviewing long-term claims to ensure that each has a return-to-work plan developed with the worker and employer. Recommendations from a review of health care costs are being implemented and – if they prove to be as successful as intended – will help slow the growth in costs.

Close attention to investment management is also paying off, despite the discouraging investment market. Our yields – as meager as they are today compared to the roaring '90s – are still the second highest among all provincial compensation boards.

This annual report includes not only financial data, but also a balanced scorecard report, plus claims and other statistical information. All these provide a quantitative measurement of our progress on the strategic plan that is making the WCB administration more effective and efficient.

Cooperative strategies hold the key to the future

While administrative costs receive much attention, they represent only a fraction of total costs. The human and financial costs of workplace injury far exceed the WCB's administrative costs. Projections show that even a half of one per cent reduction in the injury rate would produce cost savings far above even the most aggressive administration cost reduction strategy.

Significant savings from injury reduction are possible and they are necessary, but they can only be achieved with the full participation of our stakeholders – working on cooperative strategies that reverse those external forces most dramatically affecting costs. Without cooperative efforts, the WCB's expenditures will continue to outstrip revenues, and the only answer left will be further premium increases.

One key strategy here is the Integrated Case Management Model. The model sets out a case management team's role in facilitating cooperation among all the players in a claim.

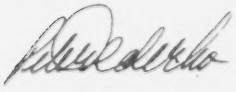
To be successful, a variety of groups and interests must be ready to work with the WCB: First, the injured worker actively participating in rehabilitation and in a return-to-work program. Second, the workplace employer and union implementing and supporting early return-to-work. Third, health care providers using a functional rehabilitation model for physical and psychosocial restoration. Fourth and finally, professional health care associations ensuring education for care providers, workers, employers, the public and the WCB.

This case management model applies to enhancing case management, and holds great potential, providing there is active involvement from all the parties.

But the most effective way to tap the power of integrated action is to focus it on the risk factor with the greatest leverage – reducing the number of workplace injuries. The rate at which workers are being injured outweighs all the monetary gains we are achieving through better management.

The challenge is that action is required from our stakeholders, which include 30,000 employers and their various industry associations, as well as the 40,000 workers involved in claims each year, along with their unions, associations and safety committees.

The scale is vast, but we now have tools, such as Integrated Case Management and WorkSafe, through which to operationalize effective working relationships with our stakeholders. Just as WCB management is accountable for strategic performance, so too do we urgently need each of our many stakeholders to accept accountability for their unique role in working with us to reduce the human and financial costs of workplace injury.



Peter D. Federko
Chief Executive Officer

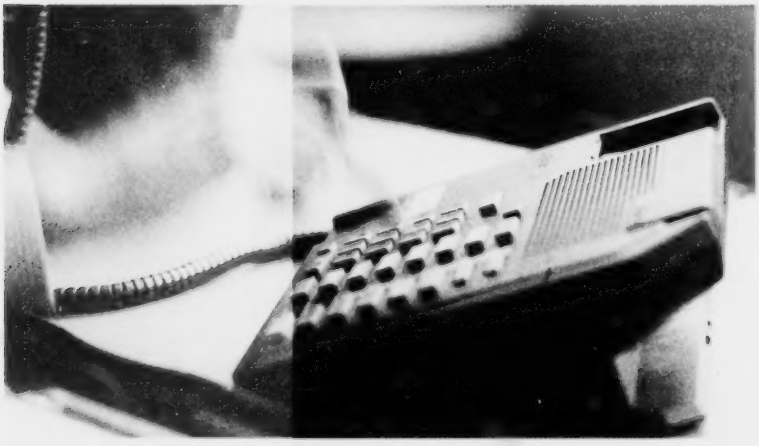
Risk Management Plan

The following pages show highlights of the WCB's risk management plan — Executive Management's response to the Board's direction to undertake an in-depth analysis of the WCB's business risks. This analysis includes risk identification, an assessment of the impact of each risk, and initiatives to mitigate their influence on the administration of the compensation system.

Listed below are highlights from the plan's assessment of external risks.

Economic Instability

ISSUE	IMPACTS	RESPONSE
Uncertainty in the investment markets	WCB financial stability at risk, especially sustainability of funding strategies and premium-setting approaches.	• Monitor investment performance quarterly and annually through the Investment Committee. • Create portfolio diversification policy. • Retain professional investment managers to ensure quality of diversification and risk management. • Closely monitor investment managers' performance and portfolio returns. • Review and enhance investment policy annually.
Cycles in the economy	Fluctuations in employment levels — Increased employment can reduce premiums but can increase injury numbers, as well. Decreased employment can increase premiums, but can reduce injury numbers.	• Build and maintain sufficient reserves to smooth out the effects of economic cycles. • Improve ability to monitor economic conditions and forecast their operational impacts.



Absence of Economic Model

ISSUE	IMPACTS	RESPONSE
Premiums collected do not reflect actual claims experience	Revenue and expense imbalances can result in operating shortfalls, depleted reserves and passing on of current claims costs to future employers.	• Maintain an actuarial-based rate-setting model using the same assumptions as in the actuarial valuation of claim liabilities. • Annually review assumptions and adapt as required so that rate model continues to reflect experience. • Retain part-time staff actuary to forecast costs based on economic indicators for enhanced ability to match revenues and expenditures. • Maintain adequate levels of reserves to allow for inability of any actuarial model to perfectly project future needs.

Unstable Injury Rate

ISSUE	IMPACTS	RESPONSE
Increasing claim volumes	Increased claims costs force higher premiums.	• Influence employer and worker safety practices through: - experience rating (merit/surcharge) program; and - safety initiatives in cooperation with Occupational Health & Safety, industry safety associations and WorkSafe Saskatchewan.

No Return-to-Work Commitment

ISSUE	IMPACTS	RESPONSE
Any single stakeholder withdrawing commitment limits system's success in returning workers to the job	Increased durations, compensation costs and premium rates	• Maintain, monitor and enhance team-based case management model. • Maintain the formal quality assurance component of the claims process. • Collaborate with key stakeholders (employers, workers, health care providers) through education, contracts, communications and service integration strategies. • Proactively advance the work of the multi-stakeholder Early Intervention Advisory Committee.

Changing Labour Force

ISSUE	IMPACTS	RESPONSE
Increasing proportion of older workers and a shortage of qualified younger workers	Older workers require more treatment to recover from injuries, putting upward pressure on costs. Absence of qualified new employees can make it difficult to attract qualified individuals to the WCB.	• Review and refine Early Intervention Programs and claims management processes for early medical and functional rehabilitation. • Develop WCB internally to be a first-choice employer: - HR planning; - competency recruitment framework; - career and succession management; and - joint strategies with the First Nations community.

Increasing Customer Expectations

ISSUE	IMPACTS	RESPONSE
Increasing customer expectations	Rising expectations, or expectations that differ from WCB's legislated mandate, can result in lack of stakeholder confidence.	• Use surveys to identify customer expectations and areas for change in WCB policies and practices. • Use communications for education and information-sharing with stakeholders. • Enhance customer service standards, quality assurance processes and customer service training.

2002 Financial Highlights

WCB ends year with $93.5 million shortfall

The WCB ended 2002 with a $93.5 million shortfall. This figure represents an operating shortfall of $56.8 million combined with a $36.7 million provision to meet the WCB's legislated requirements under The Workers' Compensation Amendment Act. The Amendment Act provision was added to 2002's existing benefits liabilities (future payments for current claims to bring the total to $778.5 million).

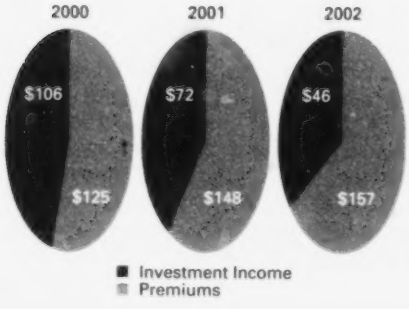
Premium revenue up but markets continue impact on bottom line

The WCB's revenue is derived from two sources: premium revenue and investment income. The year in review ended with total revenues of $202.6 million, a decrease of $17.2 million from 2001.

A rate increase that saw the average premium rate rise from $1.70 to $1.75 combined with a 1.4% rise in reported employer payroll to increase last year's premium revenue to $156.6 million, compared to $147.8 million in premium revenue for 2001.

Mitigating this increase in revenue, however, was the continued slump in investment markets, which remained the most significant influence on the WCB's financial record. Income from investments continued its decline in 2002, finishing the year at $46.0 million, $26.0 million less than in 2001.

SOURCES OF REVENUE (IN MILLIONS)



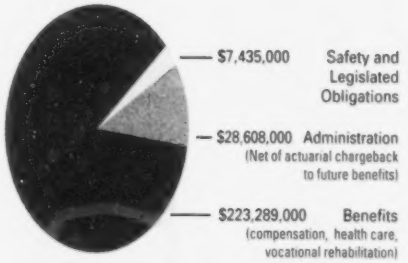
Higher claim counts drive rise in program expenditures

Claims costs are comprised of expenses for short term wage loss, earnings replacement, health care and vocational rehabilitation benefits. They also include the increase to the benefits liability (actuarial adjustment) to provide for the incremental increase in the future costs of current claims.

Overall, claims costs fell from $239.3 million in 2001 to $223.3 million in 2002. The primary reason for this decrease was a drop in the actuarial adjustment from $65.9 million to $39.3 million. (These figures exclude the allocation to Future Benefits Administration liability.)

At the same time, however, actual 2002 claims costs rose 7.3 per cent to $173.0 million from the previous year's $161.3 million. Greater numbers of time-loss claims accounted for 44.5 per cent of this $12.4 million increase.

ALLOCATION OF REVENUE


$7,435,000 Safety and Legislated Obligations
$28,608,000 Administration (Net of actuarial chargeback to future benefits)
$223,289,000 Benefits (compensation, health care, vocational rehabilitation)

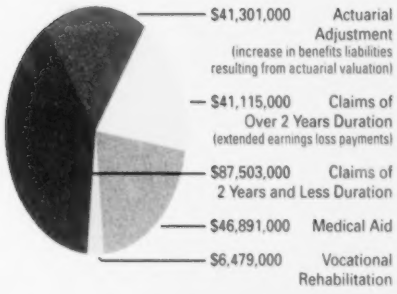
Emphasis on vocational rehabilitation continues

2002 financial results show the WCB's focus on returning injured workers back to meaningful employment is working. At the same time vocational rehabilitation spending increased by $1.4 million, or 28.4%, earnings replacement costs rose only 1.3 per cent – meaning vocational rehabilitation has influenced a decrease in the amount of earnings needing to be replaced by pension.

The Workers' Compensation Amendment Act effective January 1, 2003

Legislated changes arising from Committee of Review recommendations came into force January 1, 2003. According to generally accepted accounting principles, an estimated $36.7 million was added to the benefits liabilities as at December 31, 2002. The $36.7 million includes $33.96 million for changes to the maximum wage rate, $2.5 million for increases in permanent functional impairment awards and $0.24 million for changes to the allowance for burial expenses.

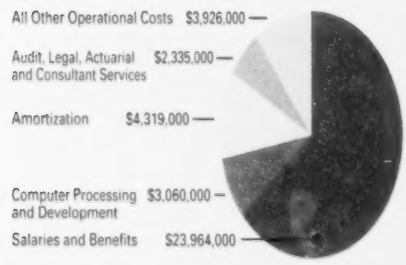
COMPONENTS OF BENEFITS COSTS


$41,301,000 Actuarial Adjustment (increase in benefits liabilities resulting from actuarial valuation)
$41,115,000 Claims of Over 2 Years Duration (extended earnings loss payments)
$87,503,000 Claims of 2 Years and Less Duration
$46,891,000 Medical Aid
$6,479,000 Vocational Rehabilitation

Duration of claims down; injury rate up

The increase in the number of time loss claims offset a 2.3 day decrease in short-term claims durations for 2002. But at the same time durations are dropping, the provincial injury rate is increasing. Saskatchewan's rate of injuries per 100 workers rose from 4.79 in 2001 to 4.95 in 2002. This figure represents a five-year high.

COMPONENTS OF ADMINISTRATIVE COSTS


All Other Operational Costs $3,926,000
Audit, Legal, Actuarial and Consultant Services $2,335,000
Amortization $4,319,000
Computer Processing and Development $3,060,000
Salaries and Benefits $23,964,000

Administrative expenses show decline

At the same time computing costs fell $1.4 million and other administrative expenses remained relatively constant, negotiated salary increases rose by $0.6 million. This resulted in the WCB ending the year with a $1.2 million decrease in administrative costs before allocation to future benefits administration.

The reduction in computer processing costs was the result of a move to bring both I/T staff and many outsourced projects in-house, the final implementation of our I/T strategies.

Legislated obligations continue in 2002

The WCB continued its legislated obligations to fund the following operations administered by Saskatchewan Labour: the Office of the Workers' Advocate, the Occupational Health & Safety Division (OH&S), and the Prevention Services unit. An additional expenditure was made for administration of the Committee of Review which is convened every four years. In 2002, the WCB's legislated obligations totaled $7.4 million.

Benefits liabilities focus attention on fund balances

The Workers' Compensation Act requires that the WCB maintain sufficient funds to cover the anticipated future costs of existing injuries, known as "benefits liabilities."

To fund 2001's decline in investment markets and the increase in benefits liabilities, the WCB Board made the decision to deplete the Injury Fund balance and to apply $7 million from the economic stabilization reserve to the loss. This led to the new year opening with the Injury Fund balance at zero and reserves reduced to $50 million.

By the end of 2002, the requirement for benefits liabilities was $778.5 million — another $78.0 million over the previous year. This figure includes $2.0 million for Future Benefits Administration costs and $39.3 million for claims costs.

A further $36.7 million was added to the benefits liabilities for benefit enhancements which came into effect Jan 1, 2003 as a result of The Workers' Compensation Amendment Act.

Although not a legislated requirement, the WCB includes a provision for future benefits administration costs in the benefits liabilities. (The Saskatchewan WCB is one of six provinces recording this liability.) The 2002 benefits liabilities include $36.7 million for future benefits administration costs, and $741.8 million allocated to future claims costs.

Three-year financial plan now in place

To maintain reserves at existing levels, and to fund the accumulated shortfalls, the WCB introduced a three-year financial plan. As more recent financial information becomes available, the plan will be reviewed and refined, with an update shared at the WCB's annual general meeting.

Additional internal cost control measures will continue to be explored, as well. This includes improving the WCB's ability to forecast program expenditures by incorporating rate setting and actuarial information into program budgeting activities, implementing evidence-based variance explanations for claims activities and employing more frequent estimates of changes to benefits liabilities.

The WCB continues to emphasize the strategic plan as the key to improving operational and financial results – over the short term and into the future. As the newly-implemented team-based case management and quality assurance processes mature, and as the remaining corporate objectives are operationalized, we anticipate further gains in managing the system's costs, which, in turn will improve the organization's financial position overall.

AVERAGE ASSESSMENT RATES PER $100.00 PAYROLL 1998 - 2002

Jurisdiction	1998	1999	2000	2001	2002
Alberta	1.34	1.07	1.10	1.32	1.68
B.C.	2.01	1.88	1.84	1.79	1.91
Manitoba	1.86	1.46	1.49	1.49	1.56
N.B.	1.59	1.67	1.61	1.64	1.90
Nfld	2.96	2.97	3.24	3.24	3.24
NWT/NU	1.93	1.20	1.05	1.00	1.18
N. S.	2.53	2.56	2.54	2.54	2.54
Ontario	2.59	2.42	2.29	2.13	2.13
P.E.I.	2.12	2.11	1.96	2.24	2.29
Quebec	2.47	2.22	2.07	1.90	1.85
Sask.	1.82	1.77	1.73	1.70	1.75
Yukon	1.56	1.26	1.41	1.41	1.25

Note

Comparisons of average assessment rates can be very misleading and are influenced by the various methods adopted by WCBs for developing these averages. For example, weighting of individual rates by payroll or by industry can significantly impact the average rate. The mix of industry, the varying benefit levels and earnings ceilings, extent of industry coverage and degree of funding of liabilities can also result in distorted comparisons of average assessment rates by jurisdiction. Extreme caution should, therefore, be exercised in how average WCB assessment rates are used.

All rates, except for the two most recent years, are the actual average assessment rates for all jurisdictions except Ontario and Quebec. Ontario and Quebec rates for all years are provisional average assessment rates that are set at the beginning of each year.

By the end of 2002, the requirement for benefits liabilities was $778.5 million — another $78.0 million over the previous year. This figure includes $2.0 million for Future Benefits Administration costs and $39.3 million for claims costs.

A further $36.7 million was added to the benefits liabilities for benefit enhancements which came into effect Jan 1, 2003 as a result of The Workers' Compensation Amendment Act.

Although not a legislated requirement, the WCB includes a provision for future benefits administration costs in the benefits liabilities. (The Saskatchewan WCB is one of six provinces recording this liability.) The 2002 benefits liabilities include $36.7 million for future benefits administration costs, and $741.8 million allocated to future claims costs.

Three-year financial plan now in place

To maintain reserves at existing levels, and to fund the accumulated shortfalls, the WCB introduced a three-year financial plan. As more recent financial information becomes available, the plan will be reviewed and refined, with an update shared at the WCB's annual general meeting.

Additional internal cost control measures will continue to be explored, as well. This includes improving the WCB's ability to forecast program expenditures by incorporating rate setting and actuarial information into program budgeting activities, implementing evidence-based variance explanations for claims activities and employing more frequent estimates of changes to benefits liabilities.

The WCB continues to emphasize the strategic plan as the key to improving operational and financial results – over the short term and into the future. As the newly-implemented team-based case management and quality assurance processes mature, and as the remaining corporate objectives are operationalized, we anticipate further gains in managing the system's costs, which, in turn will improve the organization's financial position overall.

AVERAGE ASSESSMENT RATES PER $100.00 PAYROLL 1998 - 2002

Jurisdiction	1998	1999	2000	2001	2002
Alberta	1.34	1.07	1.10	1.32	1.68
B.C.	2.01	1.88	1.84	1.79	1.81
Manitoba	1.86	1.46	1.49	1.49	1.56
N.B.	1.59	1.67	1.61	1.64	1.90
Nfld	2.96	2.97	3.24	3.24	3.24
NWT/NU	1.93	1.20	1.05	1.00	1.18
N. S.	2.53	2.56	2.54	2.54	2.54
Ontario	2.59	2.42	2.29	2.13	2.13
P.E.I.	2.12	2.11	1.96	2.24	2.29
Quebec	2.47	2.22	2.07	1.90	1.85
Sask.	1.82	1.77	1.73	1.70	1.75
Yukon	1.56	1.26	1.41	1.41	1.25

Note

Comparisons of average assessment rates can be very misleading and are influenced by the various methods adopted by WCBs for developing these averages. For example, weighting of individual rates by payroll or by industry can significantly impact the average rate. The mix of industry, the varying benefit levels and earnings ceilings, extent of industry coverage and degree of funding of liabilities can also result in distorted comparisons of average assessment rates by jurisdiction. Extreme caution should, therefore, be exercised in how average WCB assessment rates are used.

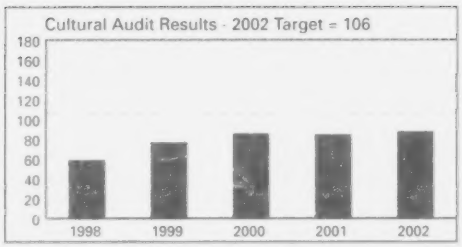
All rates, except for the two most recent years, are the actual average assessment rates for all jurisdictions except Ontario and Quebec. Ontario and Quebec rates for all years are provisional average assessment rates that are set at the beginning of each year.

Balanced Scorecard Report

Individual and Team Effectiveness

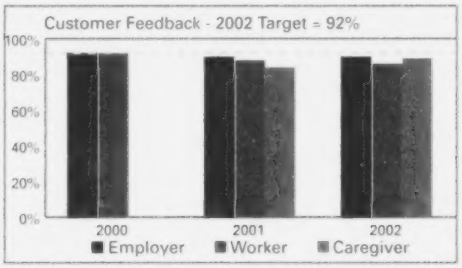
Constructive Culture

- Measures the rating staff give each year to positive aspects of the WCB's workplace culture. 100 represents the median score for companies using this test instrument.
- 2002 results show continued progress toward a constructive culture. In 2003, teams will be looking at their own work unit results to identify opportunities to help the WCB move closer to its target.



Congruence of Values and Behaviours

- Provides external confirmation of how our staff demonstrate support for WCB values. Created from separate quarterly surveys of workers, employers and partners.
- 2002 results demonstrate that WCB staff continue to live the corporate values in their customer and stakeholder interactions.



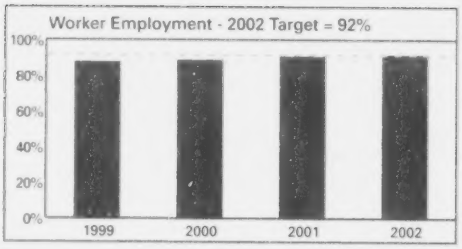
A measurement for staff technical and behavioral competence is in development. When complete, it will indicate the proportion of staff demonstrating these required competencies.

Balanced Scorecard Report

Process Effectiveness

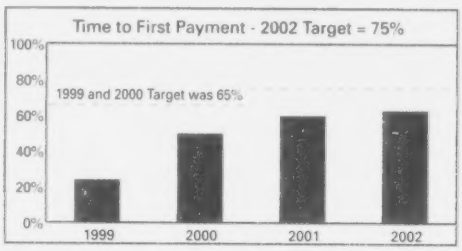
Return to Work

- Shows the proportion of injured workers who have returned to employment after being declared employable.
- Based on all closed claims, 92% of injured workers declared employable returned to work in 2002. The remainder either moved to long-term compensation, or although considered employable, did not return to work for a variety of reasons.



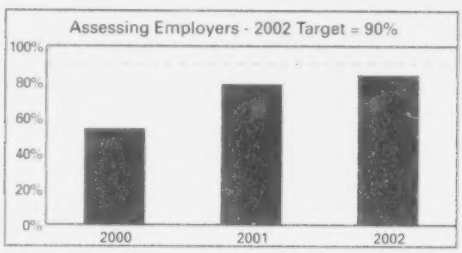
Income Replacement

- Shows the proportion of workers receiving their first wage loss cheque within 14 days of the date of injury.
- In 2002, 63% of workers eligible for wage loss benefits were receiving their first payment within 14 days of the date of their injury. 75% of eligible workers received their first cheque within 14 days of the date the WCB was notified. The difference reflects delays in reporting.



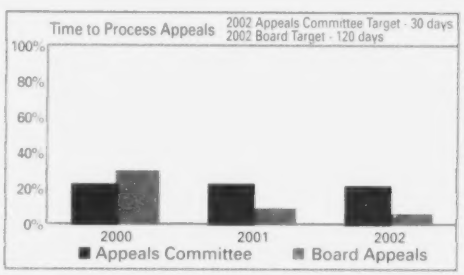
Employer Services

- Shows the promptness with which new employer accounts are identified, classified and assessed.
- In 2002, 84% of new employers were assessed within 30 days of the WCB learning the firm was conducting business.



Appeals

- Shows the length of time to process an appeal from the date it is received by the WCB until the date a decision is rendered.
- The percentage of appeals processed within 30 days at the Appeals Committee level has remained constant. However, the percentage of Board appeals processed within its target of 120 days has fallen since 2000.

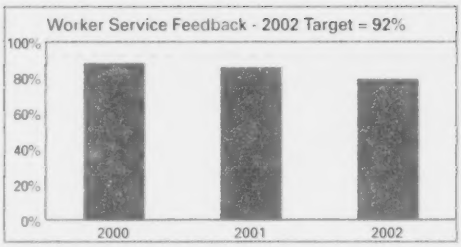


Balanced Scorecard Report

Premier Customer Service

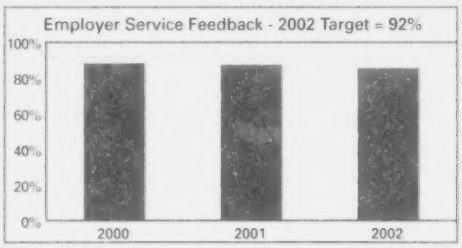
Workers' Perspective

- Shows the proportion of injured workers satisfied with our service, taken from a random quarterly sampling.
- 2002 results reflect breaks in service levels as case management staff reorganized into teams.



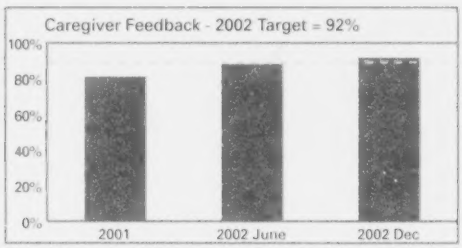
Employers' Perspective

- Shows the proportion of employers satisfied with our service, taken from a random quarterly sampling.
- Employers demonstrate consistently high levels of satisfaction with WCB service.



Caregivers' Perspective

- Shows the proportion of health care providers (physicians, physiotherapists, chiropractors, etc.) satisfied with our service, taken from a random semi-annual sampling.
- This information was collected for the first time in 2001. Health care providers showed high levels of satisfaction over the past two years.

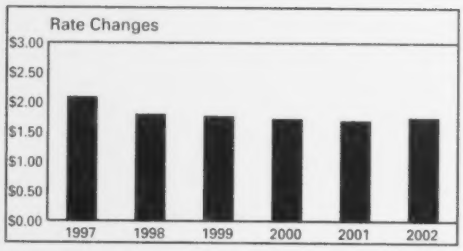


Balanced Scorecard Report

Financial Integrity

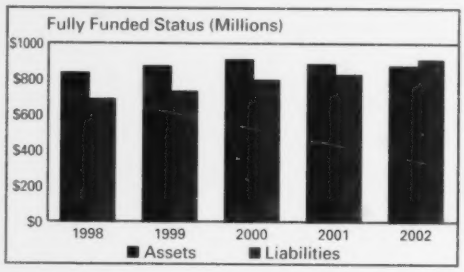
Stability of Rates

- Shows the fluctuation in employers' rates over time.
- Despite a rate increase in 2002, the $1.75 average employer premium remained substantially lower than 1997's premium rate of $2.09.



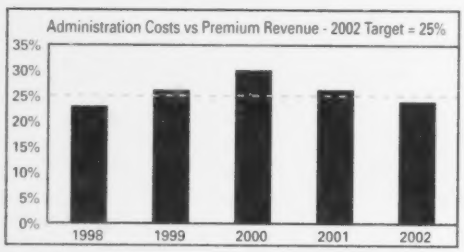
Fully Funded Status

- Shows the comparison between the WCB's assets and liabilities. For 2002, assets were $868.8 million and liabilities were $912.3 million.
- The WCB maintains a future benefits administration liability of $36.7 million which is not a legislated requirement.
- Legislated changes arising from the Committee of Review were effective January 1, 2003. According to generally accepted accounting principles, the benefits liabilities were increased by $36.7 million on December 31, 2002 to account for these legislated changes.



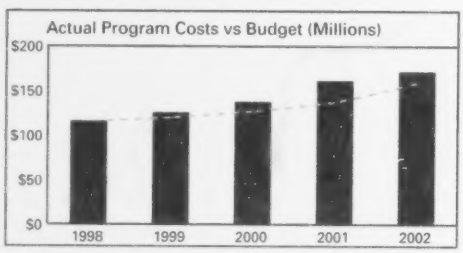
Operational Efficiency

- Shows the ratio between the WCB's administrative costs and premium revenue (net of merit/surcharge and safety association funding).
- Although the number of claims and costs associated with these claims rose in 2002, the amount spent on administration decreased by $1.2 million. At 24%, the Board surpassed its 2002 target of 25%.



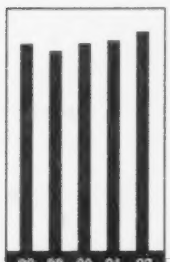
Stability of Benefits

- Demonstrates the change in the amount spent annually on claims costs.
- While there has been a slight increase (2.8%) in the cost per claim overall, the primary driver of the increased costs is an increase in the number of both existing and new time loss claims.

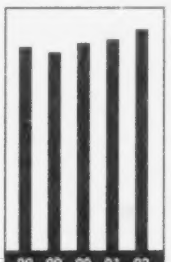


Statistical Summary

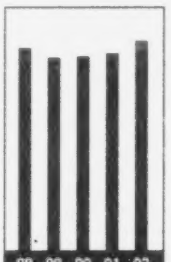
Five year comparisons have been updated to reflect the most current data and data reporting methods available. Where applicable, AWCBC data collection and analysis methodologies have been used.



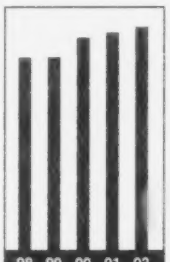
Claims Reported[1]	
1998	37,657
1999	36,346
2000	37,717
2001	38,240
2002	39,821



Claims Accepted[2]	
1998	32,348
1999	31,476
2000	32,927
2001	33,552
2002	35,128

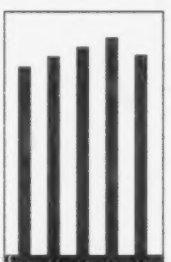


No Time Loss Claims[2]	
1998	19,240
1999	18,337
2000	18,459
2001	18,737
2002	19,938

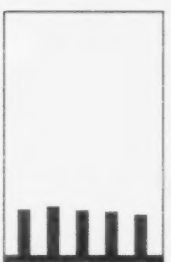


Time Loss Claims[2]	
1998	13,081
1999	13,108
2000	14,433
2001	14,786
2002	15,174

Fatalities[2]	
1998	27
1999	31
2000	35
2001	29
2002	16



Average Days on Compensation[3]	
1998	23.9
1999	25.2
2000	26.4
2001	27.6
2002	25.4



Unaccepted Claims (%)[4]	Composition of Unaccepted Claims (% of Reported Claims)		
	Not work related	Not Covered under Act	No Further Info
1998	10.3	7.1	0.5	2.7
1999	11.0	6.5	0.6	3.9
2000	10.1	6.0	0.7	3.4
2001	9.8	5.9	0.7	3.2
2002	9.1	5.4	0.5	3.2

[1] Reported Claims: New claims reported to the WCB in the current year, both accepted and unaccepted. Additional claims reported information can be found in the WCB's 2002 Statistical Supplement.

[2] Based on new claims reported to, and accepted by, the WCB in the current year. Excludes claims not covered under the Act, not work related, still pending, and / or duplicated within the system.

[3] Average Days on Compensation - previous years' data has been adjusted to show the most current information.

[4] Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decision status is as at Feb 11/03 for all claims years reported. Claims are unaccepted when the industry is not covered by *The Workers' Compensation Act*, a claim is not work related, or no further information is received following the initial report of the injury.

2002 top five industry codes with injuries*

Industry codes		
G2	Health Districts, Hospitals, Care Homes	4,156
B1	Construction Trades - Residential, Commercial and Industrial	3,310
S2	Hostels, Independent Services, Restaurants, Hotels, Motels	2,456
C3	Grocery, Department Stores, Hardware and Wholesale Chain Stores	2,408
C6	Automotive, Implement Sales and Service and Automotive Service Shops	1,804

*All claims reported and accepted in 2002

2002 top five occupations with injuries*

Occupation	Number of Claims Reported
Truck Drivers	1,176
Welders and Flame Cutters	1,107
Nursing Aides and Orderlies	928
Nurses, Graduate, Except Supervisors	794
Chefs and Cooks	679

*All claims reported and accepted in 2002

2002 top five areas of injury*

Body Part	Number of Claims Reported
Back	6,230
Finger	5,232
Eye	2,638
Hand	1,903
Shoulder	1,802

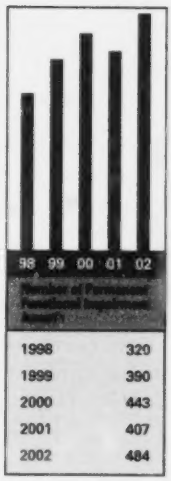
*All claims reported and accepted in 2002

Long term earnings replacement awards

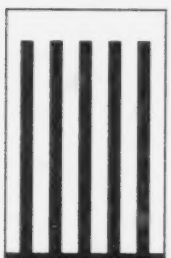
New awards 2002	137
Number receiving at December 2002	1,923

Dependent spouses

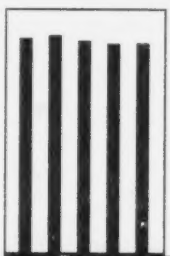
New awards in 2002	19
New Act wage loss recipients (including 2002)	354
Old Act lifetime pension recipients	267



1998	320
1999	390
2000	443
2001	407
2002	484

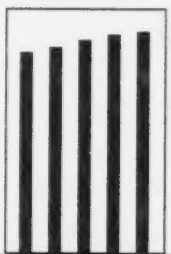


1998	48,000
1999	48,000
2000	48,000
2001	48,000
2002	48,000



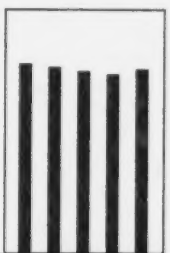
1998	32,046
1999	32,454
2000	31,657
2001	31,225
2002	31,327

*Active employers excludes employers whose assessment accounts were finalized during the year.



1998	8.61
1999	8.83
2000	9.14
2001	9.37
2002	9.50*

*2002 payroll is provisional.

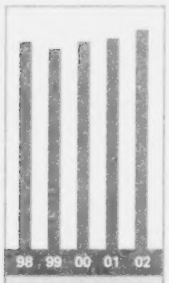


1998	1.80
1999	1.77
2000	1.73
2001	1.70
2002	1.75

*Actuarial rate making was introduced with 1998 premiums. Average premium rates for 1998 and forward are based on anticipated reported payroll at the beginning of the fiscal year. Adjustments for actual payroll may occur during the year.

Statistical Summary

Five year comparisons have been updated to reflect the most current data and data reporting methods available. Where applicable, AWCBC data collection and analysis methodologies have been used.

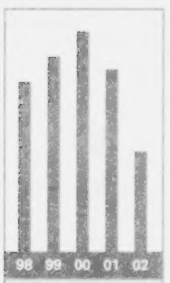


Claims Reported[1]	
1998	37,657
1999	36,346
2000	37,717
2001	38,240
2002	39,821

Claims Accepted	
1998	32,348
1999	31,476
2000	32,927
2001	33,552
2002	35,128

No Time Loss Claims[2]	
1998	19,240
1999	18,337
2000	18,459
2001	18,737
2002	19,938

Time Loss Claims[2]	
1998	13,081
1999	13,108
2000	14,433
2001	14,786
2002	15,174



Fatalities[2]	
1998	27
1999	31
2000	35
2001	29
2002	16

Average Days on Compensation[3]	
1998	23.9
1999	25.2
2000	26.4
2001	27.6
2002	25.4

Unaccepted Claims (%)[4]	Composition of Unaccepted Claims (% of Reported Claims)		
	Not work related	Not Covered under Act	No Further Info
1998 10.3	7.1	0.5	2.7
1999 11.0	6.5	0.6	3.9
2000 10.1	6.0	0.7	3.4
2001 9.8	5.9	0.7	3.2
2002 9.1	5.4	0.5	3.2

Reported Claims: New claims reported to the WCB in the current year, both accepted and unaccepted. Additional claims reported information can be found in the WCB's 2002 Statistical Supplement.

Based on new claims reported to, and accepted by, the WCB in the current year. Excludes claims not covered under the Act, not work related, still pending, and / or duplicated within the system.

Average Days on Compensation - previous years' data has been adjusted to show the most current information.

Unaccepted claims are reported as a percentage of the total entitlement decisions for claims reported for the year. Entitlement decision status is as at Feb 11/03 for all claims years reported. Claims are unaccepted when the industry is not covered by *The Workers' Compensation Act*, a claim is not work related, or no further information is received following the initial report of the injury.

2002 top five industry codes with injuries*

Industry codes		
G2	Health Districts, Hospitals, Care Homes	4,156
B1	Construction Trades - Residential, Commercial and Industrial	3,310
S2	Hostels, Independent Services, Restaurants, Hotels, Motels	2,456
C3	Grocery, Department Stores, Hardware and Wholesale Chain Stores	2,408
C6	Automotive, Implement Sales and Service and Automotive Service Shops	1,804

*All claims reported and accepted in 2002

2002 top five occupations with injuries*

Occupation	Number of Claims Reported
Truck Drivers	1,176
Welders and Flame Cutters	1,107
Nursing Aides and Orderlies	928
Nurses, Graduate, Except Supervisors	794
Chefs and Cooks	679

*All claims reported and accepted in 2002

2002 top five areas of injury*

Body Part	Number of Claims Reported
Back	6,230
Finger	5,232
Eye	2,638
Hand	1,903
Shoulder	1,802

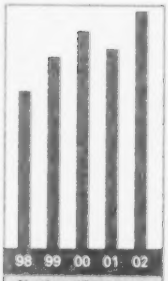
*All claims reported and accepted in 2002

Long term earnings replacement awards

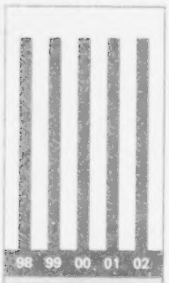
New awards 2002	137
Number receiving at December 2002	1,923

Dependent spouses

New awards in 2002	19
New Act wage loss recipients (including 2002)	354
Old Act lifetime pension recipients	267



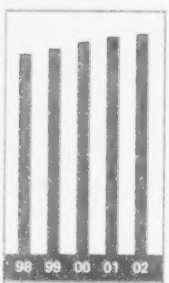
Number of Permanent Functional Impairment Awards	
1998	320
1999	390
2000	443
2001	407
2002	484



Assessment Ceiling	
1998	48,000
1999	48,000
2000	48,000
2001	48,000
2002	48,000

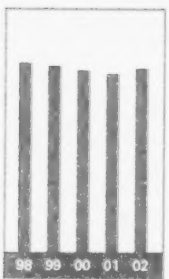
Number of Active Employer Accounts*	
1998	32,046
1999	32,454
2000	31,657
2001	31,225
2002	31,327

*Active employers excludes employers whose assessment accounts were finalized during the year.



Assessable Payroll (billions)	
1998	8.61
1999	8.83
2000	9.14
2001	9.37
2002	9.50*

*2002 payroll is provisional.



Average Premium Rate*	
1998	1.80
1999	1.77
2000	1.73
2001	1.70
2002	1.75

*Actuarial rate making was introduced with 1998 premiums. Average premium rates for 1998 and forward are based on anticipated reported payroll at the beginning of the fiscal year. Adjustments for actual payroll may occur during the year.

Injury Rates and Claim Durations (1998 - 2002) for Rateable Subclasses*

Sub Class	Description	% of Workers Injured with Time Loss					Average Days				
		2002	2001	2000	1999	1998	2002	2001	2000	1999	1998
All Class		4.95	4.79	4.71	4.30	4.36	25.4	27.6	26.4	25.2	23.9
A1	Light Agricultural Operations	13.43	12.08	11.60	10.32	10.76	22.3	22.9	24.1	30.9	20.7
A2	Farming & Ranching	4.76	6.64	6.13	5.49	6.17	46.6	67.1	46.1	46.6	52.3
A3	Grain Elevators & Inland Terminals	1.04	1.38	1.50	1.64	1.54	19.2	23.9	20.0	28.7	12.5
B1	Building Construction	11.03	10.13	11.09	9.45	10.78	28.2	29.4	33.9	29.5	24.6
C1	Light Commodity Marketing	1.34	1.34	1.66	1.25	1.41	17.4	20.6	29.4	25.9	29.6
C3	Grocery, Department Stores, Hardware	4.90	4.83	4.80	4.05	4.33	21.6	24.0	23.4	22.6	20.5
C4	Co-operative Associations	4.70	4.06	3.67	4.05	3.81	17.2	24.5	15.5	19.3	16.9
C5	Lumber Yard, Builders Supplies	6.52	6.22	6.26	6.13	6.77	25.6	20.1	16.2	22.7	19.9
C6	Automotive, Implement Sales & Service	3.92	3.74	4.10	3.56	3.90	23.9	22.2	23.0	19.6	20.1
D1	Open Seam Mining and Mining Coal	2.06	1.99	1.96	2.49	2.16	25.3	18.1	37.1	28.3	19.8
D2	Conventional Potash Mining	2.10	2.04	2.08	1.04	1.23	31.6	25.7	25.3	23.3	31.7
D3	Operation of Oilwells	0.89	0.99	1.47	1.84	1.88	10.8	36.7	32.9	33.4	22.0
D4	Oilwell Servicing	6.79	7.90	7.84	7.85	9.42	35.7	35.9	30.4	35.5	32.5
D5	Service Rigs, Water Well Drilling, Seismic	5.54	6.93	8.57	7.11	9.47	45.4	40.4	57.9	48.3	45.3
D6	Mining Exploration, Underground Mining, Mine Maintenance	4.58	4.31	6.14	3.75	4.44	46.5	66.3	42.9	54.5	45.9
F1	Logging Operations, and Log/Pulpwood Hauling	11.00	7.66	8.90	7.87	6.98	43.9	53.6	65.7	36.2	49.5
F2	Sawing, Planing, Stud & Chip Mills	7.80	10.91	10.10	7.91	12.05	23.4	25.2	24.3	31.9	22.7
F3	Pulp and Paper Mills	2.52	2.50	2.75	1.49	1.33	19.6	15.0	21.1	18.7	12.9
G1	Universities and Regional Colleges, School Divisions and Housing Authorities	2.53	2.44	2.52	2.20	2.23	26.1	24.8	24.0	28.3	22.5
G2	Health Districts, Hospitals, Care Homes	6.90	6.83	6.26	5.80	6.21	31.0	35.0	31.8	29.2	30.4
G3	Cities, Town, Villages, RMs	6.09	6.24	5.58	5.47	5.99	19.4	20.1	18.8	18.6	16.0
G5	Government of Saskatchewan and Departments	3.46	3.26	3.19	3.42	3.12	25.9	27.5	26.8	24.0	23.7
M3	Pipeline Operations and Refineries and Upgrader	1.29	1.42	1.76	1.39	1.57	11.7	23.4	26.8	19.7	10.6
M4	Dairy Products, Soft Drinks, Bakeries, Food Prep and Packaging	8.29	10.41	8.77	8.75	9.25	22.3	24.8	23.0	19.7	19.5
M6	Semi Medium Manufacturing	12.54	11.17	11.36	10.87	11.23	17.8	20.9	21.0	16.0	16.4
M7	Processing Meat, Poultry and Fish	33.14	33.85	37.02	34.98	35.41	20.5	25.9	17.0	21.3	18.6
M8	Metal Foundries	4.41	4.71	4.45	3.44	4.94	19.9	28.5	28.6	18.0	24.5
M91	Agricultural Equipment Manufacturing	18.38	17.42	16.80	14.38	17.57	16.4	15.5	14.4	15.2	14.2
M9	Machine Shops, Iron and Steel Fabrication	18.33	17.22	17.61	15.80	18.90	15.6	16.6	17.2	16.8	15.3
R1	Road Construction and Earthwork	5.27	5.53	5.62	4.89	5.10	37.8	37.9	34.7	32.5	36.6
S1	Legal Offices, Financial, Drafting, Business Offices	0.61	0.55	0.69	0.55	0.44	25.9	32.8	28.6	22.4	30.7
S2	Hotels, Motels and Restaurant	2.73	2.77	2.71	2.54	2.86	21.5	24.2	23.1	24.6	20.4
S3	Service Clubs, Caretaking, Authorities	3.43	3.50	3.62	3.09	3.06	34.3	32.7	26.3	26.4	31.2
S4	Engineering, Surveying & Architecture	0.95	1.01	1.00	0.69	0.93	21.1	23.9	19.0	27.6	16.9
T4	Transportation, Courier, Commercial Bus	9.58	9.91	10.79	10.30	9.90	38.1	38.8	32.1	31.5	32.3
T5	Operation of Railways	2.56	2.49	1.80	1.63	2.14	26.5	29.5	47.4	38.4	31.5
T6	Commercial Air Transportation	3.37	2.67	3.19	4.20	2.53	31.1	25.5	23.1	16.0	23.8
U1	Telecommunications	1.81	1.13	1.67	1.56	1.37	21.0	26.4	17.3	20.3	14.6
U3	Electric Systems	3.47	1.92	2.42	2.05	2.68	34.1	28.5	17.8	9.1	23.5

% of workers injured with time loss equals time loss claims divided by # of workers covered. Number of workers covered calculated by dividing assessable payroll by the Statistics Canada average weekly wage for each subclass.

* Previous years' data has been adjusted to show the most current information.

2002 Appeals

During 2002, the time it took to process appeals at both the Appeals Committee and Board levels was longer than our targets established for the year. Reasons for the lengthy processing times continue to be the increasing complexity of many injury claims, such as those for carpal tunnel or stress. By their nature, these types of claims are also less specific, requiring more extensive development of the case file and longer review time. As well, the increasing number of appeals proceeding to Board hearings and Medical Review Panels involve more administration.

The WCB provides two levels of appeal: an Appeals Committee and appeals to the Board Members. In 2002, the Appeals Committee received 979 appeals, compared to 826 in 2001, an increase of 153, or 19%. Board Members received 297 appeals the same year, up from 246 in 2001, an increase of 21%.

At the same time, the 29 Medical Review Panels convened in 2002 was an unusually higher number than in years previous, in part, because the absence of a panel chairperson created a backlog. In 2003, this temporary increase is expected to abate to normal levels of around ten panels a year.

As in previous years the primary reason for an appeal was that the initial claim was not accepted.

Recommendations out of the Committee of Review and the Dorsey Administrative Review were a continuing consideration in 2002. Both reviews recommended changes to the appeals structure, requiring changes to the Workers' Compensation Act. Decisions on these recommendations are still pending.

Appeals Committee

The Manager of Appeals reviews each claim file related to an appeal request to ensure the information in it is thorough and complete. If it is not, the file is returned to the case management team for further investigation. Once considered complete, the committee examines the file to determine if the original decision complied with the facts of the case, the principles of natural justice, WCB policies and provincial legislation. If the client is not satisfied with the Appeals Committee's decision, he or she can make a written request for an appeal to the Board.

Appeals Activity
Appeals Committee

	2002	2001	2000	1999	1998
Appeals Received	979	826	873	813	892
Decisions Made:					
Appeal Successful (Accepted)	176	163	169	190	199
Original Decision Upheld (Denied)	414	349	405	392	530
Returned to Original Unit for Further Development	206	243	171	109	117
Total	**796**	**755**	**745**	**691**	**846**
Appeals Withdrawn	35	22	40	27	21
Appeals Pending	124	6	n/a	n/a	n/a
Average Number of Days for Decision	69	73	107	48	38

Sources of Appeals
Appeals Committee

Source	2002	2001	2000	1999	1998
Worker	613	523	517	483	520
Worker's Advocate	107	106	146	131	149
Employer	147	80	88	49	39
Lawyer	27	35	37	50	50
Union Official	34	43	47	46	65
Family	15	14	7	13	5
Other Representative	18	12	30	41	64
Industrial Relations Consultant	4	5	n/a	n/a	n/a
MLA's	3	4	n/a	n/a	n/a
Voice of the Blue Rose	10	3	n/a	n/a	n/a
Doctor	1	1	n/a	n/a	n/a
Total	**979**	**826**	**873**	**813**	**892**

Nature of Appeals
Appeals Committee

ISSUE	2002	2001	2000	1999	1998
Initial Acceptance	292	280	345	271	308
Relationship (Of one injury to another)	165	125	140	156	163
Recovery / Fitness (Ability to Return to Work)	166	134	124	88	111
Estimated Earning Capacity	50	45	58	85	83
Other	47	34	47	45	43
Recovery (on-going due to pre-existing condition)	54	56	42	30	49
Cost Relief	69	32	35	22	10
PFI	33	36	24	34	29
Suspension	26	23	20	27	35
Wage Base	20	24	19	18	21
Retraining	22	12	10	16	20
Transportation Expense	20	13	9	18	20
Independence Allowance	14	9	n/a	n/a	n/a
Dependents	1	3	1	3	0
Total	**979**	**826**	**874**	**813**	**892**

Board Appeals

Board decisions on appeals are based on existing information in the claim file and additional information supplied at the appeal hearing. To ensure the process is conducted within the framework of the compensation system, Board Members follow these key principles:

- The Board is not bound by existing policy in making its decisions;
- A Board decision that does not follow current policy does not mean that a new policy has been created;
- Board decisions are not precedent-setting;
- WCB staff are bound by decisions made by the Board; and
- All parties are bound by decisions made by Medical Review Panels.

Appeals Activity
Board Appeals

	2002	2001	2000	1999	1998
Appeals Received	297	246	201	212	252
Decisions Made:					
Appeal Successful (Accepted)	108	85	67	66	51
Original Decision Upheld (Denied)	122	151	149	127	190
Total	**230**	**236**	**216**	**193**	**241**
Appeals Withdrawn	11	12	10	16	5
Appeals Pending	140	84	94	110	107
Average Number of Days for Decision	163	142	188	183	124

Sources of Appeals
Board Appeals

Source	2002	2001	2000	1999	1998
Worker's Advocate	85	95	69	66	71
Worker	120	78	67	62	98
Lawyer	22	15	19	27	21
Employer	39	15	13	13	10
Union Official	7	15	4	15	21
Family	1	2	2	6	1
Other Representative	23	26	27	23	31
Total	**297**	**246**	**201**	**212**	**253**

Nature of Appeals
Board Appeals

ISSUE	2002	2001	2000	1999	1998
Relationship (Of one injury to another)	87	77	70	71	94
Initial Acceptance	72	50	43	62	56
Recovery / Fitness (Ability to Return to Work)	55	59	40	33	49
Other	15	24	9	6	7
Cost Relief	18	6	8	1	9
Retraining	10	5	7	8	3
Estimated Earning Capacity	13	5	6	14	22
Suspension	3	2	6	2	4
PFI	14	7	5	4	2
Wage Base	4	5	4	3	2
Dependents	0	0	2	1	2
Transportation Expense	4	0	1	2	1
Assessment Rates & Surcharge	2	6	0	5	2
Recovery (on-going due to pre-existing condition)	Board records this issue differently than Appeals Committee				
Total	**297**	**246**	**201**	**212**	**253**

Medical Review Panels

Medical Review Panels are convened when a worker's doctor or chiropractor disagrees with a Board decision on medical grounds, after all other avenues of appeal have been exhausted. The panel's chairperson is appointed by the Board, in consultation with the Saskatchewan Medical Association. The worker chooses the medical practitioners who sit on the panel. Decisions of the Medical Review Panel are binding on the worker and the WCB.

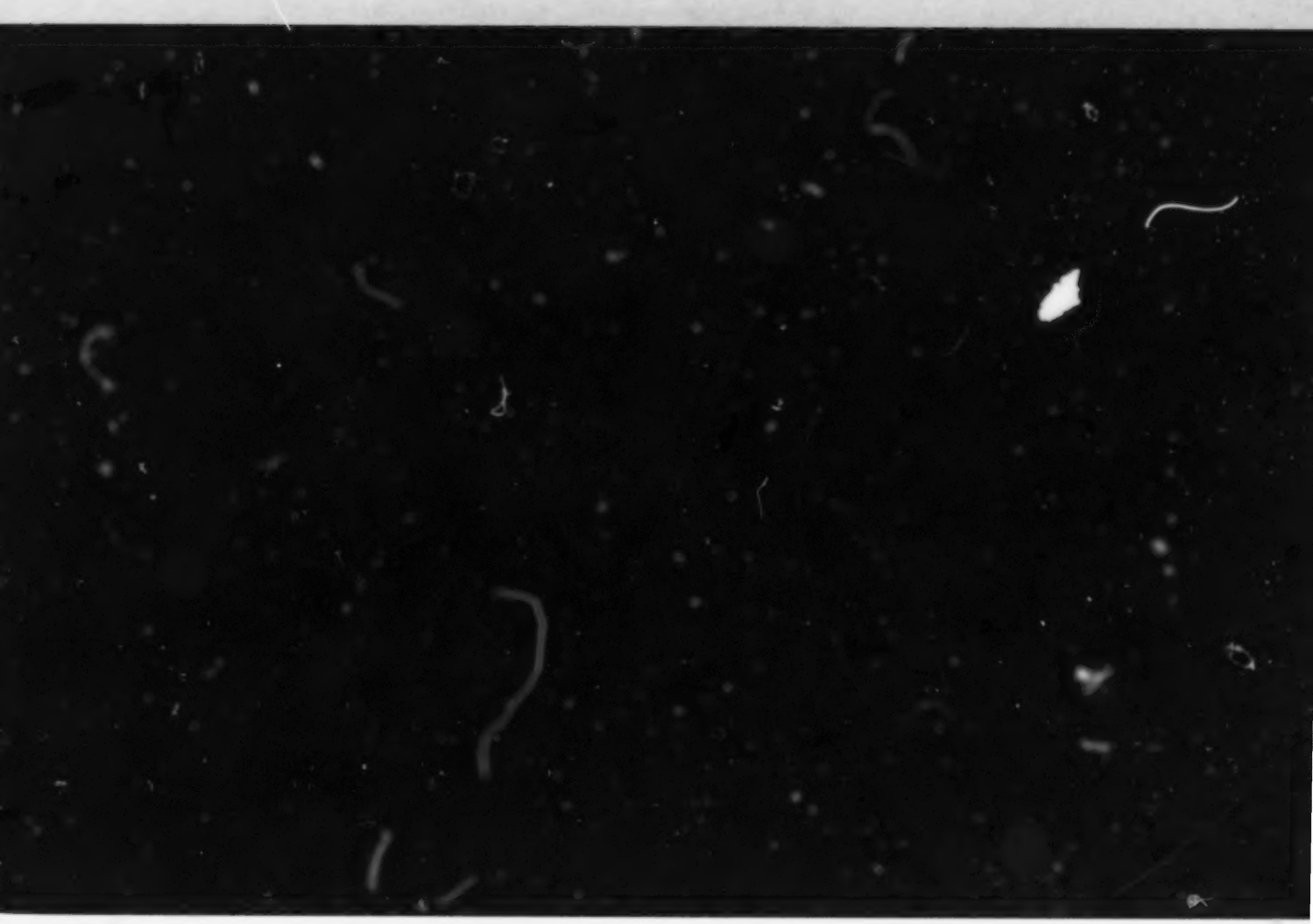
Appeals Activity
Medical Review Panel

	2002	2001	2000	1999	1998
Appeals Received	29	15	6	12	12
Decisions Made:					
Appeal Successful (Accepted)	14	9	5	6	5
Original Decision Upheld (Denied)	14	6	1	6	7
Total	**28**	**15**	**6**	**12**	**12**
Pending	1	0	0	0	0

Nature of Appeals
Medical Review Panel

ISSUE	2002	2001	2000
Relationship (Of one injury to another)	25	10	4
Initial Acceptance	0	0	0
Recovery / Fitness (Ability to Return to Work)	2	4	1
Other	0	0	0
PFI	2	1	1
Total	**29**	**15**	**6**

Financial Report



Financial Information

WORKERS' COMPENSATION BOARD (SASKATCHEWAN)

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements are the responsibility of management and have been prepared in conformity with accounting principles generally accepted in Canada. The preparation of financial information is an integral part of management's broader responsibilities for the ongoing operations of the Board. Management maintains an extensive system of internal accounting controls to provide reasonable assurance that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. The adequacy and operation of the control systems are monitored on an ongoing basis.

An independent actuary has been engaged to carry out a valuation of the benefits liabilities. The actuary makes use of management information provided by the Board and relies on the work of the external auditors in verifying the data used in the valuation. The scope of their valuation and opinion are given in the Actuarial Certificate.

The financial statements have been examined and approved by the Board of Directors. The Board of Directors meets periodically with financial officers of the corporation and the external auditors.

Deloitte & Touche has been appointed external auditors to report to the Members of the Board regarding the fairness of presentation of the Board's financial position and results of operations as shown in the financial statements. In carrying out their audit, the external auditors place reliance on the work of the actuary and his report on the benefits liabilities. The Auditor's Report outlines the scope of their examination and their opinion.

Gail Kruger, CMA
Vice-President,
Finance & Information Technology

Osvaldo Montanini, CMA
Director, Finance & Administration

March 12, 2003

TO THE BOARD OF DIRECTORS OF THE WORKERS' COMPENSATION BOARD, SASKATCHEWAN

We have made an actuarial valuation of the liabilities for future benefits payable under the Workers' Compensation Act - Saskatchewan as at December 31, 2002 in respect of accidents which have occurred up to that date.

The Board's auditors have made an independent review of the financial data used in the actuarial valuation. We have reviewed the data used for the valuation and have made tests of reasonableness and of consistency with the data used in prior years. In our opinion the data is sufficient and reliable for the purposes of this valuation.

The actuarial valuation of these liabilities in the amount of $741,796,000 represents the actuarial present value at December 31, 2002 of all future short-term disability benefits, long term disability benefits, survivor benefits, medical aid payments and rehabilitation payments which are expected to be made in future years and which relate to claims occurring on or before December 31, 2002. The actuarial liabilities include the increase in liabilities of $36,697,000 related to the legislated benefit improvements effective January 1, 2003 and these legislated benefit improvements are referred to in the Board's annual report. As in previous valuations, the actuarial liabilities do not include any provision for future expenses of administration of existing claims, nor for benefits or payments that are on a self-insured basis.

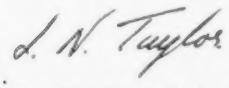
The valuation was based on the Workers' Compensation Act in effect as of December 31, 2002 as administered by the Board. The actuarial assumptions and methods used are based on the Board's best estimates, and take into account the current practices and administration procedures of the Board and recent expenditure patterns.

Since the previous valuation there has been several changes in the actuarial assumptions and methods. Re-classification of some "compensation-type" payments from vocational rehabilitation expenditures to short-term disability expenditures reduced liabilities at December 31, 2002 by $4.071 million. A contingent liability for suspended pension cases expected to be reactivated increased liabilities at December 31, 2002 by $1.258 million.

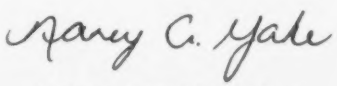
A summary of the net discount rates used in the actuarial valuation are referred to in the notes to the financial statements.

In our opinion, for the purposes of the valuation, the actuarial assumptions are appropriate and the methods employed are consistent with sound actuarial principles. We have prepared and have provided to the Board our actuarial report as at December 31, 2002. Our actuarial report has been prepared, and our opinions have been given in accordance with accepted actuarial practice.

Watson Wyatt & Company



Leslie N. Taylor, F.I.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries



Nancy A. Yake, F.S.A., F.C.I.A.
Fellow, Canadian Institute of Actuaries

March 12, 2003

AUDITORS' REPORT

To the Members of the Workers' Compensation Board (Saskatchewan)

We have audited the statement of financial position of the Workers' Compensation Board (Saskatchewan) as at December 31, 2002 and the statements of operations and injury fund and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Workers' Compensation Board as at December 31, 2002 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Canada

March 12, 2003

Statement of Financial Position

As at December 31, 2002

	2002	2001
	(thousands of dollars)	
Assets		
Cash and short-term investments	**$ 27,724**	$ 11,558
Accounts receivable (note 3)	**33,497**	31,042
Accrued interest	**3,726**	5,156
Investments (note 4)	**783,569**	811,694
Capital assets (note 5)	**20,302**	19,438
	$ 868,818	$ 878,888
Liabilities		
Outstanding cheques	**$ 1,808**	$ 3,700
Accounts payable (note 6)	**30,716**	31,720
Benefits liabilities (note 9)	**778,461**	700,463
Annuity fund payable	**101,328**	93,030
	912,313	828,913
Deficiency in Assets (note 10)	**(43,495)**	49,975
	$ 868,818	$ 878,888

See accompanying notes to financial statements.

On behalf of the Board:

John Solomon
Chairman

Norm Brown
Board Member

Walter Eberle
Board Member

Statement of Operations and Injury Fund

Year ended December 31, 2002

	2002	2001
	(thousands of dollars)	
Revenues:		
Premiums (note 11)	**$ 156,604**	$ 147,762
Investment income (note 4)	**45,955**	71,968
	202,559	219,730
Expenses:		
Claim costs (note 9)	**223,289**	239,314
Administration expenses (Schedule 1)	**28,608**	30,415
Department of Labour (note 8)	**7,245**	7,661
Committee of Review	**190**	138
	259,332	277,528
Expenses over revenues before the following:	**(56,773)**	(57,798)
Provision for increased benefits legislated by The Workers' Compensation Amendment Act, 2002 (note 9)	**(36,697)**	–
Provision for legislated obligation (note 7)	**–**	1,977
Expenses over revenues	**(93,470)**	(55,821)
Injury Fund, beginning of year (note 10)	**–**	48,870
Appropriation from Economic Stabilization Reserve (note 10)	**21,512**	6,951
Injury Fund, end of year (note 10)	**$ (71,958)**	$ –

See accompanying notes to financial statements

Statement of Cash Flows

Year ended December 31, 2002

	2002	2001
	(thousands of dollars)	
CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from:		
Premiums	**$ 156,868**	$ 141,937
Dividends and interest	**32,294**	38,299
	189,162	180,236
Cash paid to:		
Claimants, or third parties on their behalf	**169,974**	161,446
Employees and suppliers, for administrative and other goods and services	**36,775**	38,102
Employers for the declared employer rebate	**–**	43,769
Surviving spouses	**80**	2,143
Department of Labour and safety associations	**10,846**	9,370
	217,675	254,830
Net cash used for operating activities	**(28,513)**	(74,594)
CASH FLOW FROM INVESTING ACTIVITIES		
Cash received from:		
Sale and maturity of investments	**1,147,526**	1,300,231
Disposal of capital assets	**250**	6
	1,147,776	1,300,237
Cash paid for:		
Purchase of investments	**1,096,244**	1,259,926
Purchase of capital assets	**4,961**	6,349
	1,101,205	1,266,275
Net cash provided from investing activities	**46,571**	33,962
Increase (decrease) in cash during the year	**18,058**	(40,632)
Cash and short-term investments, beginning of year	**7,858**	48,490
Cash and short-term investments, end of year	**$ 25,916**	$ 7,858
Comprised of:		
Cash	**$ 1,761**	$ 769
Outstanding cheques	**(1,808)**	(3,700)
Short-term investments	**25,963**	10,789
	$ 25,916	$ 7,858

See accompanying notes to financial statements.

Notes to Financial Statements

December 31, 2002

1. Status of the Board:

The Workers' Compensation Board (the Board) operates under the authority of The Workers' Compensation Act, 1979, Statutes of Saskatchewan (the Act).

In accordance with the provisions of the Act, the Board's purpose is to provide workers' compensation insurance to Saskatchewan workers and employers.

The Board maintains an injury fund representing all funds collected and expenses incurred to administer the Act.

2. Significant Accounting Policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Management believes its estimates and assumptions are appropriate; however, actual results could differ from the amounts estimated.

The Board's significant accounting policies are summarized as follows:

Cash and Short-term Investments

(i) Short-term investments are recorded at the lower of cost and market value.

(ii) Cash and short-term investments are funds consisting of cash and money market instruments which will be liquidated in the near term.

Investments

(i) Bonds and debentures are recorded at cost with any discount or premium amortized on a straight-line basis over the period remaining to the maturity date of the investment.

(ii) Equities, pooled equity funds, pooled bond funds and real estate are valued using a five-year moving average of market values, thereby allowing for a gradual movement toward current market values.

(iii) Mortgages are recorded at cost and the principal is reduced by principal repayments throughout the year.

(iv) Gains or losses on the sale of bonds and debentures are amortized over the remaining period to maturity of the security sold.

(v) Transactions in bonds and equities are recorded as of the trade date.

Capital Assets

Capital assets are recorded at cost and are amortized over their estimated useful lives. Amortization is recorded on a straight-line basis, at the following rates:

Building	2.50%
Office furnishings	10.00%
Computer equipment	20.00%
Software development	33.33%

Premium Revenue

At the beginning of each year, an assessment is levied on employers by applying their industry assessment rate to their estimated payrolls. The assessment levy is payable by instalments within the current year. At year-end, assessment income is adjusted based on a review of the employers' actual payrolls.

Benefits Liabilities

The benefits liabilities are determined annually by an actuarial valuation which establishes the amount of this provision for future payments and the future cost of administering claims relating to claims incurred on or before December 31. The provision at December 31, 2002 has been determined by estimating future benefits payments in accordance with the Board's administrative policies and practices in effect at December 31, 2002 and the legislation in effect January 1, 2003.

Benefits liabilities do not include any provision for payment of claims relating to self-insurers, as they are a liability of the self-insurers. Also, no provision has been made for future claims relating to occupational diseases and injuries that are not currently considered to be work-related.

Annuity Fund Payable

The annuity fund is established pursuant to sections 74 and 83(5) of the Act, to provide injured workers and dependent spouses for the loss of retirement income due to a workplace injury. The fund represents 10% of eligible payments already made plus interest calculated at the Board's actual rate of return on its investments for the year. This liability is not discounted and a separate fund of investments is not maintained.

All future costs, excluding interest, are provided for as part of benefits liabilities.

Foreign Currency Translation

Assets and liabilities, with the exception of investments, denominated in foreign currency are translated into Canadian dollars at the exchange rate in effect at the Statement of Financial Position date. Foreign currency gains and losses for investments are recorded in the same manner as other investment gains and losses.

Employee Future Benefit Plans

The cost of pensions and other retirement benefits earned by employees is determined using the projected benefit method pro rated on service and management's best estimate of expected plan investment performance, salary escalation, retirement ages of employees and future pension indexing. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. For purposes of calculating the expected return on plan assets, those assets are valued at fair value. The excess of the net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of the plan assets is amortized over the average remaining service life of active employees. For the defined contribution plan, employee contributions are matched by the Board and expensed in the period made.

Measurement Uncertainty

a) Benefits Liabilities

An actuarial valuation of the benefits liabilities as at December 31, 2002 has been prepared by Watson Wyatt & Company, an independent firm of consulting actuaries who have rendered their opinion that the valuation was prepared in accordance with accepted actuarial practice, and that the actuarial assumptions are appropriate. As disclosed in Note 9, the Board believes that the amount provided for benefits liabilities as at December 31, 2002 is adequate, recognizing that actuarial assumptions may change over time to reflect underlying economic trends and adjudication policies and practices. When they do, it is possible to cause a material change in the actuarial present value of the future payments.

b) Premium revenue and accounts receivable

Accounts receivable at December 31 include an estimate of annual premium revenues for the year that have not yet been received from employers. The recorded amounts are based upon management's best information and judgment, having regard to actual experience in preceding years. However, until all employers actually submit their final annual payroll information to the Board, the recorded premium revenues for the year and the estimated amounts receivable at year-end are subject to measurement uncertainty.

3. Accounts Receivable:

	2002	2001
	(thousands of dollars)	
Premiums	**$ 11,240**	$ 9,136
Regina Qu'Appelle Health Region	**8,959**	8,959
Net accrued pension benefit asset	**4,955**	3,627
Surcharge penalties	**4,349**	3,972
Other	**3,994**	5,348
	$ 33,497	$ 31,042

The Board served notice to the Regina Qu'Appelle Health Region on July 16, 2001 of its intent to terminate without cause the agreement between the Board and the Regina Qu'Appelle Health Region regarding the Wascana Rehabilitation Centre. The agreement allows three years from the date the notice is served for payment of the outstanding amount owing to the Board. The amount owing is the depreciated value of the facility.

4. Investments:

(a) The carrying amount and fair value of investments are as follows:

	2002		2001	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
		(thousands of dollars)		
Bonds, debentures & pooled bond fund	**$ 354,603**	**$ 365,798**	$ 396,517	$ 402,622
Equities and pooled equity funds	**346,110**	**379,247**	358,414	441,670
Mortgages and real estate	**44,440**	**47,739**	41,054	42,924
Unamortized gains and losses	**38,416**	**–**	15,709	–
	$ 783,569	**$ 792,784**	$ 811,694	$ 887,216

Details of significant terms and conditions, exposures to interest rate and credit risks on investments are as follows:

(i) Short-term investments:

All short-term investments are in Canadian securities. These investments have an aggregate principal amount of $25,963,000 (2001 - $10,789,000) and are comprised of notes and commercial paper with effective interest rates of 2.62% to 3.04% (2001 – 1.94% to 4.20%).

(ii) Bonds and debentures:

		2002		2001	
	INTEREST RECEIVABLE BASIS	**EFFECTIVE RATES (% RANGE)**	**COUPON RATES (% RANGE)**	**EFFECTIVE RATES (% RANGE)**	**COUPON RATES (% RANGE)**
Government of Canada	semi-annual	**3.26 – 5.75%**	**3.50 – 6.00%**	2.93 – 5.80%	4.50 – 11.25%
Provincial Securities	semi-annual	**2.50 – 6.69%**	**5.20 – 8.75%**	4.21 – 6.65%	2.63 – 8.75%
Corporate Securities	semi-annual	**3.09 – 8.50%**	**4.82 – 9.00%**	3.08 – 7.69%	5.35 – 9.90%

The principal amount and carrying amount are shown by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	2002		2001	
TERM TO MATURITY	**PRINCIPAL AMOUNT**	**CARRYING AMOUNT**	**PRINCIPAL AMOUNT**	**CARRYING AMOUNT**
		(thousands of dollars)		
Government of Canada Securities				
After one through five years	**$ 120,782**	**$ 124,087**	$ 93,212	$ 96,415
After five years	**61,454**	**62,534**	102,948	110,929
Provincial Securities				
After one through five years	**19,899**	**20,359**	33,440	34,701
After five years	**42,447**	**42,579**	32,527	32,291
Corporate Securities:				
After one through five years	**32,593**	**32,905**	61,209	61,398
After five years	**32,439**	**32,555**	60,325	60,783
	$ 309,614	**$ 315,019**	$ 383,661	$ 396,517

(iii) Equities and pooled equity funds:

The Board's investments in equities and pooled equity funds have no fixed maturity dates and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The rates range from 0% to 6.08% on these investments (2001 - 0% to 4.63%)

(iv) Pooled Bond Funds

The Board's investment in a pooled bond fund has no fixed maturity date.

(v) Mortgage - principal outstanding:

	2002 CARRYING AMOUNT	2002 EFFECTIVE INTEREST RATES	2002 AVERAGE MATURITY (YEARS)	2001 CARRYING AMOUNT	2001 EFFECTIVE INTEREST RATES	2001 AVERAGE MATURITY (YEARS)
			(thousands of dollars)			
Commercial	**$ 1,955**	**11.07**	**14**	$ 2,628	10.43	14.5

This mortgage is fixed term and has an effective interest rate of 11.07% (2001 – 8.0% to 11.07%). Stated rate is 11.07% (2001 - 8.0% to 11.07%).

Principal and interest is receivable on a monthly basis.

(vi) Real Estate:

All of the Board's real estate holdings are in Canadian commercial property.

(b) Net investment income was derived from the following sources:

	2002	2001
	(thousands of dollars)	
Cash and short-term securities	**$ 824**	$ 1,867
Bonds, debentures and pooled bond funds	**22,989**	24,663
Equities and pooled equity funds	**19,698**	44,191
Mortgages	**(3)**	94
Real estate	**3,946**	3,070
Other	**64**	66
Investment expenses	**(1,563)**	(1,983)
	$ 45,955	$ 71,968

(c) Market Risk

The Board invests in publicly traded equities and bonds available on domestic and foreign exchanges and in privately traded pooled equity and bond funds. These securities are affected by market changes and fluctuations. The Board does not use derivative financial instruments to alter the effects of these market changes and fluctuations. The Board limits its investment concentration in any one investee or related group of investees to 10% of the investee's share capital. In addition, no one holding can represent more than 10% of the market value of the Board's equity portfolio. Investment in pooled funds shall not exceed 10% of the market value of that pooled fund.

(d) Credit Risk

Credit risk on financial instruments arises from the possibility that the issuer of a fixed-term instrument may fail to meet its obligations. Therefore, the Board's investment policy sets minimum quality standards. The policy allows for a maximum of 15% to be invested in BBB rated bonds and the remainder of the bonds must be rated A or higher. For short-term investments, the minimum quality standard is R-1. The Board does not anticipate that any issuers will fail to meet their obligations.

(e) Interest Rate Risk

Fluctuations in interest rates can impact the market value of the fixed-income portfolio, as well as shift investor preferences among asset classes. Interest rate risk is minimized by managing the duration of the fixed-income portfolio within predetermined prudent policy limits.

(f) Real Estate Risk

Risk in the real estate portfolio is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size.

(g) Foreign Exchange Risk

The Board has certain investments denominated in foreign currencies. During 2002 the Board did not undertake hedging strategies for the currency risk of foreign investments and currency fluctuations influenced short-term returns. These fluctuations are not expected to affect the long-term position of the investment portfolio. The Board limits its holdings in foreign equities to 25% of the Board's total investment portfolio. As at December 31, 2002, the Board's holdings in foreign equities and pooled equity funds had a market value of $149.8 million (2001 - $187.7 million) representing 18.3% (2001 – 20.9%) of the market value of the Board's total investment portfolio.

5 **Capital Assets:**

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE 2002	2001
		(thousands of dollars)		
Land	$ 1,375	$ –	$ 1,375	$ 1,375
Building	18,332	5,562	12,770	12,017
Office furnishings	3,918	2,523	1,395	969
Computer equipment	10,307	7,822	2,485	1,663
Software development	22,079	19,802	2,277	3,414
	$ 56,011	$ 35,709	$ 20,302	$ 19,438

6 **Accounts Payable:**

	2002	2001
	(thousands of dollars)	
Premium refunds	$ 3,941	$ 5,773
Merit rebates	12,519	11,863
Employee benefits liability	3,971	3,471
Occupational Health & Safety	6,072	6,246
Worker's Advocate	636	620
Prevention Services	537	795
Committee of Review	190	138
Other payables	2,850	2,814
	$ 30,716	$ 31,720

7. Legislated Obligation:

Effective March 11, 1999, the Special Payment (Dependent Spouses) Act obligated the Board to pay $80,000, upon application, to each eligible person who, prior to September 1, 1985, was in receipt of compensation under the Act, but whose compensation was terminated by reason of re-marriage or entering into a new common-law relationship. Eligible individuals were required by this legislation to make an application within two years. The Board estimated $23 million was payable under this legislation to eligible surviving spouses.

Payments totaling $21 million were made to eligible surviving spouses during the two-year eligibility period. The difference of $2 million between the Board estimated payable and the total payments to May, 2001, when applications were no longer accepted, is recorded as a reduction of the net deficit.

8. Department of Labour Expense:

	2002	2001
	(thousands of dollars)	
Occupational Health & Safety	**$ 6,072**	$ 6,246
Workers' Advocate	**636**	620
Prevention Services	**537**	795
	$ 7,245	$ 7,661

9. Benefits Liabilities and Claim Costs Expense:

Benefits liabilities represent an actuarially determined provision for future benefits payments and administration costs arising from both reported and unreported claims resulting from work related injuries that occurred on or before December 31, 2002.

Benefits liabilities are determined in accordance with standards established by the Canadian Institute of Actuaries. Future benefits payments have been discounted to their present value by applying a real interest rate of 3.5% per annum. The determination of the future benefits payments involves applying economic and actuarial assumptions and methods, based on past experience, modified for current trends. As these assumptions may change over time to respond to economic conditions or administrative policies and practices, it is possible that such changes could cause a material change to the actuarial present value of future benefits payments.

Long-term economic and actuarial assumptions and methods are reviewed annually at December 31 of each year when independent actuarial valuations are performed. The following long-term economic assumptions were used in the actuarial valuation of the benefits liabilities.

	2002	2001
Inflation	**3.5%**	3.5%
Real future growth in gross wages	**1%**	1%
Real future increase in health care costs	**1.5%**	1.5%

Adjustments, if any, resulting from the continuous review of entitlements and experience or from changes in legislation and actuarial assumptions or methods are recorded in the current year as claim costs expense together with the actuarial cost of claims for reported and unreported work related injuries that occurred during the year.

The increase in the benefits liabilities at December 31, 2002 is due to a deterioration in the experience of claims older than five years, an increase in the number of [illegible] claims, and continued emphasis in return to work through expenditures on [illegible] rehabilitation and partial wage loss.

As a result of recommendations from the Committee of Review, The Workers' Compensation Amendment Act, 2002 was passed amending several benefit provisions within the Act. These benefit enhancements were effective January 1, 2003. However, as required by generally accepted accounting principles, the financial effects of these amendments were recorded in the year ended December 31, 2002. The effect of these accounting transactions was a $36.7 million increase in the expenses over revenues and the estimated benefits liabilities at December 31, 2002.

Benefits Liabilities Continuance Schedule

	2002							2001
	Short Term Disability	Long Term Disability	Survivor Benefits	Health Care	Vocational Rehabilitation	Future Benefits Administration	Total	Total
	(thousands of dollars)							
BALANCE, beginning of year	$ 90,951	$ 337,505	$ 81,824	$ 115,375	$ 40,184	$ 34,624	$ 700,463	$ 631,122
ADD: Claim costs incurred:								
Current year injuries	56,532	21,507	3,244	46,530	13,237	7,335	148,385	135,707
Prior years' injuries	18,232	22,703	6,698	12,618	10,951	3,702	74,904	103,607
Actuarial reclassification	18,067	–	–	–	(18,067)	–	–	–
	92,831	44,210	9,942	59,148	6,121	11,037	223,289	239,314
DEDUCT: Claim payments made:								
Current year injuries	25,555	89	217	15,701	2,124	2,272	45,958	44,494
Prior years' injuries	38,268	36,546	9,748	31,190	13,554	6,724	136,030	126,420
	63,823	36,635	9,965	46,891	15,678	8,996	181,988	[illegible]
BALANCE, prior to changes legislated by The Workers' Compensation Amendment Act, 2002	$ 119,959	$ 345,080	$ 81,801	$ 127,632	$ 30,627	$ 36,665	$ 741,764	
Changes legislated by The Workers' Compensation Amendment Act, 2002							36,697	
BALANCE, end of year							$ 778,461	

The Board's actuaries have re-classified certain liabilities, previously reflected as [illegible] rehabilitation, to the short-term disability category.

10. Deficiency in Assets:

	2002					2001
	Reserves					
	Disaster & Occupational Disease	Second Injury & Re-employment	Economic Stabilization Reserve	Injury Fund	Total	Total
	(thousands of dollars)					
BALANCE, Beginning of year	**$ 22,770**	**$ 5,693**	**$ 21,512**	**$ –**	**$ 49,975**	$ 105,796
LESS: Expenses over revenues	**–**	**–**	**–**	**(93,470)**	**(93,470)**	(55,821)
ADD (LESS): Appropriation to fund allocations to employers	**14,588**	**5,975**	**–**	**(20,563)**	**–**	
Appropriation to (from) Reserves	**–**	**–**	**(21,512)**	**21,512**		–
ADD (LESS): Allocations to employers	**(14,588)**	**(5,975)**	**–**	**20,563**	**–**	–
BALANCE, End of year	**$ 22,770**	**$ 5,693**	**$ –**	**$ (71,958)**	**$ (43,495)**	$ 49,975

In accordance with its authority under the Act, the Board has established reserves to meet costs arising from any disaster or other circumstances the liability for which would unfairly burden employers. These reserves are appropriated to provide cost relief to employers on claims which meet the reserve criteria and changes to legislated benefit levels, and protection against large fluctuations in the average premium rate.

11. Premiums:

	2002	2001
	(thousands of dollars)	
Premium revenue	**$ 165,776**	$ 156,319
Merit rebates	**(12,519)**	(11,863)
Surcharge penalty	**4,349**	3,972
Government of Canada assessment	**2,183**	2,096
Industry safety associations	**(3,185)**	(2,762)
	$ 156,604	$ 147,762

The Board levies an additional premium on certain industry codes to collect funds which are in turn disbursed to the safety associations representing those industries. In 2002, funds were collected on behalf of and disbursed to the Saskatchewan Forest Industries Safety Association Inc., Heavy Construction Safety Association of Saskatchewan Inc., Saskatchewan Construction Safety Association Inc., Service & Hospitality Safety Association of Saskatchewan Inc., Prairie Implement Manufacturers Association, Saskatchewan Professional Drivers Safety Council Inc., Saskatchewan Association of Health Organizations, C6 Safety Association of Saskatchewan Inc. and Saskatchewan Meat Industry Safety Association.

12. Commitments:

The Board has commitments over the next five years for a base level of computer processing, building rental and equipment leasing, as follows:

(thousands of dollars)

2003	2004	2005	2006	2007
$ 365	$ 359	$ 342	$ 315	$ 315

13. Employee Future Benefits:

The Board sponsors defined benefit and defined contribution pension arrangements covering substantially all employees. The Board uses actuarial reports prepared by an independent actuary for accounting purposes. The net defined benefit plan revenue is based on the results revealed in the most recent actuarial valuation of the pension plan as at December 31, 2002. The following significant actuarial assumptions were employed to determine the periodic pension expense and accrued benefit obligations:

	2002	**2001**
Expected long-term rate of return on plan assets	**7.25 %**	7.25%
Discount rate	**6.25%**	6.65%
Rate of compensation increase	**4.00-6.50%**	3.75-5.25%
Average remaining service period	**8.27 years**	9.65 years
Inflation	**3.0%**	3.0%

The Board's net benefit plan revenue is as follows:

	2002	**2001**
	(thousands of dollars)	
Current service cost - defined benefit	**279**	287
Current service cost - defined contribution	**1,154**	909
Interest cost	**1,474**	1,451
Expected return on plan assets	**(2,203)**	(2,271)
Amortization of net transitional asset	**(878)**	(878)
Net benefit plan revenue	**$ (174)**	$ (502)

Information about the Board's defined pension benefit plans is as follows:

	2002	2001
	(thousands of dollars)	
Accrued benefit obligation		
Accrued benefit obligation, beginning of year	**$ 22,489**	$ 21,411
Current service cost – employer share	**279**	287
Current service cost – employee share	**139**	147
Interest cost	**1,474**	1,451
Changes in assumptions	**1,369**	97
Benefits paid	**(1,488)**	(904)
Accrued benefit obligation, end of year	**$ 24,262**	$ 22,489
Plan assets		
Fair value of plan assets, beginning of year	**$ 31,060**	$ 31,707
Actual return on plan assets	**(1,245)**	109
Employer contributions	**–**	–
Employee contributions	**139**	148
Benefits paid	**(1,488)**	(904)
Fair value of plan assets, end of year	**$ 28,466**	$ 31,060
Plan surplus	**4,203**	8,571
Unamortized net actuarial loss	**7,471**	2,653
Unamortized net transitional asset	**(6,719)**	(7,597)
Net accrued benefit asset	**$ 4,955**	$ 3,627

14. Related Party Transactions:

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Board by virtue of common influence by the Government of Saskatchewan.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms.

These transactions, and amounts outstanding at year-end, are as follows:

	2002	2001
	(thousands of dollars)	
Accounts receivable	**$ 12**	$ 88
Investments	**6,374**	7,406
Accounts payable	**7,449**	7,979
Premium revenue	**32,185**	30,081
Investment income	**514**	450
Administration expenses	**1,539**	1,572
Claims costs	**16,185**	16,256

In addition, the Board pays Provincial Sales Tax to the Saskatchewan Department of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

Other related party transactions are disclosed separately in the notes.

15. Fair Value of Financial Assets and Liabilities:

The following methods and assumptions were used to estimate the fair value of each class of financial assets and liabilities:

i) For the following financial assets the fair values are considered to approximate quoted market values on recognized stock exchanges, based on the latest bid or transaction prices:
   a) bonds and debentures
   b) pooled bond fund
   c) equities
   d) pooled equity funds

ii) The fair value of mortgages is calculated by discounting scheduled cash flows through to the estimated maturity of the mortgage using current interest rates.

iii) The fair value of real estate is determined by independent individual property appraisals.

iv) The carrying value of cash, short-term investments, accounts receivable, accrued interest, outstanding cheques and accounts payable approximate their fair value due to the relatively short periods to maturity of the instruments.

v) It is not practical to determine the fair value of the benefits liabilities due to their long-term nature. The Board does not intend to settle these liabilities in the near term and there is no ready market to determine their fair value.

vi) The carrying value of the annuity fund payable approximates its fair value at December 31, 2002.

16. Comparative Figures:

Certain comparative figures have been changed to conform to the current year's presentation.

Schedule 1 – Administration Expenses

Year ended December 31, 2002

	2002	2001
	(thousands of dollars)	
Salaries	**$ 20,614**	$ 19,996
Amortization of capital assets	**4,319**	5,191
Employee benefits	**3,350**	2,194
Computer processing	**3,060**	4,446
Consulting services	**1,727**	2,277
Building operations	**1,161**	1,204
Communications and postage	**1,028**	1,032
Printing, stationery and office supplies	**892**	1,007
Travel and automobile expenses	**841**	954
Miscellaneous	**685**	728
Office rental	**650**	560
Professional services	**608**	593
Office machines and equipment	**102**	99
	39,037	40,281
Less:		
Assessment penalties	**633**	652
Expenses charged to Government of Canada	**552**	559
Adjudication fees	**248**	268
	37,604	38,802
Less:		
Administration costs charged to Future Benefits Administration (note 9)	**8,996**	8,387
	$ 28,608	$ 30,415

Investments

In 2002, 23% of the Board's total revenues were derived from the income earned on the Board's Investment Portfolio. The Board recognizes the significance of this and the important role that the Investment Income plays in allowing the Board to stabilize assessment rates to the employers of the Province.

Accordingly, the Board has employed the services of an investment consultant firm to review the performance of the professional Investment Managers, contracted by the Board, to ensure that the Board's Investment Policy is adhered to in a manner that would maximize the return earned by the Portfolio. An Investment Committee made up of the full Board and Executive Management, meets quarterly with the Investment Consultant and the Investment Managers to review reports prepared by each summarizing the performance of the Portfolio for the immediately preceding quarter. On an annual basis the Investment Committee reviews the Board's Corporate Investment Policy to ensure that it meets the demands of the Board in an ever-changing investment environment.

Exhibit 1: Statement of Investments

Year ended December 31, 2002

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Government of Canada	$ 182,236	$ 186,621
Province of British Columbia	10,013	9,933
Province of Manitoba	5,611	5,399
Province of New Brunswick	3,332	3,502
Province of Newfoundland	2,534	2,517
Province of Nova Scotia	4,021	4,051
Province of Ontario	17,936	18,592
Province of Quebec	12,442	12,570
Province of Saskatchewan	6,457	6,374
407 International	3,741	3,781
Alliance Pipeline	1,233	1,233
Associates Capital	1,021	1,028
Bank of Nova Scotia	734	731
BCE Inc.	1,016	1,014
BNS Capital Trust	1,259	1,259
Borealis Enersource	1,666	1,670
Canada Trustco Mortgage	1,860	1,859
Canadian Tire	1,350	1,338
Canadian Tire Receivable Trust	1,056	1,056
Citibank Canada	1,394	1,393
Column Canada	1,006	1,006
Falcon Trust Comm. Mtg	1,016	1,016

Security	Par Value	Carrying Amount
	(thousands of dollars)	
GE Capital Canada Funding Co	3,532	3,539
Genesis Trust Power Line of Credit	3,306	3,428
Gloucester Credit Card Trust	3,309	3,333
Great West Life Capital Trust	1,357	1,357
Greater Toronto Airports Auth.	3,814	3,832
Greystone Capital Mgmt. Inc.	335	335
Hollis Receivables Term Trust	3,140	3,241
Investors Group Inc.	1,683	1,679
Loblaw Companies Ltd.	731	715
Manulife Financial Capital Trust	1,497	1,511
Merrill Lynch	5,623	5,670
Milit Air Inc.	1,723	1,724
NAV Canada	1,928	1,927
Nova Gas	1,120	1,116
Ontrea Inc.	1,296	1,306
Quebec Finance Corp.	3,076	3,136
RBC Capital Trust	1,315	1,315
Royal Bank of Canada	1,638	1,660
Sun Life Assurance Co	1,568	1,566
Swift Trust	2,135	2,135
Toronto Dominion Bank	1,496	1,495
Wells Fargo Financial Canada Corp.	1,058	1,056
KBSH Canadian Corporate Bond Fund		39,584
Templeton Global Equity Trust		57,977
Greystone EAFE Plus Fund		52,375
AGF Management		7,090
ATI Technologies		4,845
Bank of Montreal		5,868
Bank of Nova Scotia		10,602
Barrick Gold Corp.		6,551
Cameco Corp.		5,347
Canadian National Railway		7,824
Canadian Natural Resources Ltd.		4,500
CGI Group Inc.		3,308
Cott Corp.		2,404
Decoma Intl.		940
Domtar Inc.		8,224

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Encana Corporation		7,600
Finning Int'l Inc.		5,741
Forzani Group Ltd.		1,530
IPSCO Inc.		4,004
Loblaw Companies Ltd.		3,777
Magna Int'l Inc.		10,597
Manulife Financial Corp.		10,092
Masonite Intl. Corp.		3,285
Meridian Gold Inc.		2,469
Molson Inc.		5,868
Open Text Corp.		2,464
Patheon Inc.		92
Penn West Petroleum Limited		4,213
Petro-Canada		4,875
Power Corp. of Canada		9,149
Power Financial Corp.		4,595
Quebecor World Inc.		5,807
Royal Bank of Canada		11,423
Royal Group Technologies Ltd.		4,073
Saputo Inc.		2,789
Shoppers Drug Mart Corp.		5,541
SNC-Lavalin Group Inc.		3,766
Talisman Energy Inc.		4,079
Transalta Corp.		3,079
Transcanada Pipelines Ltd.		7,693
Alliant Techsystems Inc.		967
American Int'l Group		478
Amgen Inc.		879
Anheuser-Busch Co. Inc.		767
Autozone Inc.		1,038
Bank of America Corp.		1,234
Brinker Int'l Inc.		936
Capital One Financial Co.		825
Cardinal Health Inc.		666
Carnival Corp.		682
Chevrontexaco Corp.		693
Church & Dwight Co. Inc.		639

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Citigroup		1,748
Computer Associates International		829
Conocophillips		378
Exxon Mobil Corp.		708
Federal National Mortgage Association		1,656
Fedex Corporation		1,104
General Electric Co.		509
Home Depot Inc.		1,400
Intel Corp.		1,442
ITT Industries Inc.		921
KB Home		739
Laboratory Corp. of America		1,668
Lennar Corp.		790
Marriott Intl Inc.		273
Microsoft Corp.		1,494
Mohawk Industries Inc.		1,066
Occidental Pete Corp.		890
Pactiv Corp.		1,115
Pfizer Inc.		1,923
Praxair Inc.		978
Procter & Gamble Co.		1,495
SBC Communications Inc.		894
Schering Plough Corp.		522
Symantec Corp.		981
Talbots Inc.		319
Texas Instruments		1,361
TJX Companies		638
US Bancorp Del		202
Washington Mutual Inc.		1,041
Waters Corp.		766
50 Bloor Street West		3,001
5800-5900 Explorer Drive Mississauga		3,471
752911 Alberta Ltd.		1
Airways III		2,554
Annacis Island		657
Bramalea City Centre		4,158
Brampton Business Park		3,304

Security	Par Value	Carrying Amount
	(thousands of dollars)	
Circle Properties Ltd.		3,012
Commerce Valley Office		1,588
Conventional Mortgages		1,955
Eskimo Equities Inc.		800
Ford Credit Canada		1,004
Hewlett - Packard		3,812
Key West		2,213
KS Equities Inc.		19
Marine Drive		543
Meridian Business Centre		16
Parkway Mall		1,779
Portland Street		1,681
Rodick Equities Inc.		467
Rutherford Properties Ltd.		1,772
Seven Oaks Equities Inc.		2,222
Sherwin Road Industrial Park		822
Shoppers World		1,013
Terra Losa Shopping Centre		1,528
Westhills Equity Inc.		1,048
	$ 309,614	$ 745,153

Security	Par Value	Fair Value	Carrying Amount
		(thousands of dollars)	
Government of Canada Bonds	$ 182,236	$ 190,437	$186,621
Provincial Government Bonds	62,346	66,369	62,938
Corporate Bonds	65,032	68,922	65,460
KBSH Canadian Corporate Bond Fund		40,070	39,584
	309,614	365,798	354,603
Templeton Global Equity Trust		66,606	57,977
Greystone EAFE Plus Fund		42,597	52,375
Canadian Equities		229,436	196,104
American Equities		40,608	39,654
		379,247	346,110
Mortgages and Real Estate		47,739	44,440
	$ 309,614	$ 792,784	$ 745,153

Exhibit 2:
Statement of Investment Dispositions

Year ended December 31, 2002

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
7.100	Alberta Energy Co.	October 11, 2011	$1,010	$997
7.150	Alberta Energy Co.	December 17, 2009	1,019	1,004
8.380	Alberta Energy Co.	June 27, 2005	1,580	1,493
	Alcoa Inc.	U.S. Equity	805	714
7.181	Alliance Pipeline	June 30, 2023	2,018	1,973
	Alliant Techsystems Inc.	U.S. Equity	334	259
	American Int'l Group	U.S. Equity	761	371
	Amgen Inc.	U.S. Equity	91	59
	Anadarko Petroleum	U.S. Equity	601	650
	Anheuser-Busch Co. Inc.	U.S. Equity	1,136	676
4.300	Associates Capital	January 11, 2005	784	800
5.030	Associates Capital	September 17, 2007	604	604
5.750	Associates Capital	August 17, 2006	2,080	2,028
	Bank of Montreal	Canadian Equity	4,392	2,970
	Bank of America Corp.	U.S. Equity	351	226
5.650	Bank of Nova Scotia	July 22, 2008	591	595
	Bank of Nova Scotia	Canadian Equity	3,832	2,164
	Barrick Gold Corp.	Canadian Equity	2,209	2,486
6.750	BCE Inc.	October 30, 2007	693	679
6.000	Bell Canada	May 1, 2003	1,096	1,078
7.310	BNS Capital Trust	December 31, 2010	1,172	1,128
	Bombardier Inc.	Canadian Equity	3,655	6,189
	Brinker Int'l Inc.	U.S. Equity	769	497
	CAE Inc.	Canadian Equity	2,891	3,847
	Calpine Corp.	U.S. Equity	302	988
	Cameco Corp.	Canadian Equity	3,376	3,030
5.300	Canada Housing and Mortgage Corp.	December 3, 2007	1,051	1,034
6.400	Canada Life Assurance Company	December 11, 2028	461	449
6.679	Canada Life Assurance Company	June 30, 2012	694	696
6.000	Canada Trustco Mortgage	September 13, 2004	1,525	1,464
9.150	Canada Trustco Mortgage	May 26, 2025	968	950
	Canadian National Railway	Canadian Equity	2,903	1,555
	Canadian Natural Resources Ltd.	Canadian Equity	1,827	1,271
5.700	Canadian Tire	June 9, 2008	305	321
	Capital One Financial Co.	U.S. Equity	422	165
	Cardinal Health Inc.	U.S. Equity	237	117

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
	Carnival Corp.	U.S. Equity	62	37
	Celestica Inc.	Canadian Equity	6,059	5,355
	Chevron Corp.	U.S. Equity	586	596
	Church & Dwight Co. Inc.	U.S. Equity	318	246
5.800	Citibank Canada	July 23, 2004	1,064	1,028
6.400	Citibank Canada	July 28, 2003	2,043	1,983
6.550	Citibank Canada	July 28, 2005	627	590
	Citigroup	U.S. Equity	122	146
6.700	Coca-Cola Ent.	July 24, 2003	1,232	1,196
	Computer Associates International	U.S. Equity	45	71
	Conocophillips	U.S. Equity	792	737
	Conventional Mortgages	Canadian Equity	672	672
	Domtar Inc.	Canadian Equity	272	264
	Duke Power Co.	U.S. Equity	1,134	1,341
	El Paso Corp.	U.S. Equity	402	513
5.450	Enbridge Pipe	April 12, 2006	2,329	2,307
6.350	Enbridge Pipe	November 17, 2023	913	937
	Enerflex Systems	Canadian Equity	261	469
6.750	Epcore Utilities	March 22, 2016	1,048	1,162
6.950	Epcore Utilities	June 28, 2010	1,217	1,200
6.200	Export Development Corp.	June 22, 2010	3,120	3,060
	Exxon Mobil Corp.	U.S. Equity	452	281
5.151	Falcon Trust Comm. Mtg.	January 15, 2011	1	1
	Federal National Mortgage Association	U.S. Equity	317	254
	Ford Credit Canada	Canadian Equity	8	8
6.000	Ford Motor Credit	March 8, 2004	2,291	2,235
	General Electric Co	U.S. Equity	657	219
6.428	Genesis Trust Power Line of Credit	November 15, 2003	3,084	2,941
6.869	Genesis Trust Power Line of Credit	February 15, 2005	2,068	1,978
5.625	GMAC	March 22, 2004	1,307	1,298
5.850	GMAC	March 28, 2005	1,879	1,890
6.010	Golden Credit Card	July 15, 2004	1,851	1,800
6.839	Golden Credit Card	August 15, 2006	906	900
3.500	Government of Canada	June 1, 2004	153,249	152,870
4.000	Government of Canada	December 1, 2031	6,475	6,545
4.500	Government of Canada	September 1, 2007	18,944	19,005

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
5.000	Government of Canada	September 1, 2004	37,382	37,469
5.250	Government of Canada	June 1, 2012	212,917	211,474
5.250	Government of Canada	June 1, 2013	15,401	15,408
5.250	Government of Canada	September 1, 2003	62,755	62,851
5.750	Government of Canada	June 1, 2029	30,703	30,417
5.750	Government of Canada	June 1, 2033	110,238	109,277
5.750	Government of Canada	September 1, 2006	96,315	96,447
6.000	Government of Canada	June 1, 2008	18,365	18,532
6.000	Government of Canada	June 1, 2011	64,370	64,051
9.000	Government of Canada	June 1, 2025	11,377	11,398
11.250	Government of Canada	June 1, 2015	5,477	5,333
7.000	Greystone Capital Mgmt. Inc.	October 24, 2007	67	67
	Greystone Emerging Markets Fund	Pooled Fund	8,440	7,875
	Greystone Non-North American Equity Fund	Pooled Fund	34,799	45,552
5.950	GTAA	December 3, 2007	1,625	1,576
6.450	GTAA	July 30, 2029	1,487	1,553
6.700	GTAA	July 19, 2010	1,262	1,216
7.100	GTAA	June 4, 2031	1,288	1,244
5.348	Hollis Receivables Term Trust	April 26, 2004	989	975
5.978	Hollis Receivables Term Trust	April 26, 2004	911	900
6.205	Hollis Receivables Term Trust	September 21, 2004	1,032	1,000
7.335	Hollis Receivables Term Trust	June 23, 2003	674	650
	Home Depot Inc.	U.S. Equity	197	299
7.150	Hydro One Inc.	June 2, 2010	687	706
7.350	Hydro One Inc.	June 3, 2030	1,052	1,012
5.500	Intl. American Dev. Bank ($EMU)	March 30, 2010	1,294	1,288
	IPSCO Inc.	Canadian Equity	2,228	2,317
	ITT Industries Inc.	U.S. Equity	85	131
6.496	John Hancock	November 30, 2011	931	925
	KB Home	U.S. Equity	65	46
	Kent Corporate Centre	Canadian Equity	898	789
	Laboratory Corp. of America	U.S. Equity	22	22
	Lennar Corp.	U.S. Equity	62	58
6.500	Loblaw Companies Ltd.	January 19, 2011	1,449	1,420
	Loblaw Companies Ltd.	Canadian Equity	2,994	1,494
	Magna Int'l Inc.	Canadian Equity	1,872	1,558

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
6.700	Manulife Financial Capital Trust	June 30, 2012	782	779
	Manulife Financial Corp.	Canadian Equity	255	241
	Marriott Intl Inc.	U.S. Equity	775	551
	Masonite Intl. Corp.	Canadian Equity	1,552	904
	Meridian Business Centre	Canadian Equity	1,222	1,248
5.660	Merrill Lynch	November 12, 2033	43	43
	Methanex Corp.	Canadian Equity	4,727	4,577
	Micrologix Biotech Inc.	Canadian Equity	256	1,241
	Microsoft Corp.	U.S. Equity	270	196
5.750	Milit Air Inc.	June 30, 2019	61	61
5.700	National Bank	April 16, 2014	500	499
	New York Times	U.S. Equity	852	798
	Nortel Networks Corp.	Canadian Equity	2,438	3,511
6.000	Nova Gas	January 31, 2008	1,447	1,420
9.900	Nova Gas	December 16, 2024	1,294	1,322
5.700	Ontrea Inc.	October 31, 2011	2,526	2,485
	Open Text Corp.	Canadian Equity	1,548	1,752
	Oracle Corp.	U.S. Equity	438	1,352
	Penn West Petroleum Limited	Canadian Equity	1,776	1,515
	Petro-Canada	Canadian Equity	2,668	1,577
	Pfizer Inc.	U.S. Equity	149	179
6.400	Poco Petroleums Ltd.	December 3, 2003	924	897
	Portland Street	Canadian Equity	31	31
	Power Corp. of Canada	Canadian Equity	346	278
	Power Financial Corp.	Canadian Equity	2,752	1,445
	Procter & Gamble Co.	U.S. Equity	102	107
5.700	Province of British Columbia	June 18, 2029	1,286	1,176
FR	Province of British Columbia	June 12, 2007	2,660	2,661
5.850	Province of Manitoba	January 25, 2011	2,429	2,329
8.750	Province of New Brunswick	April 19, 2005	6,585	6,411
FR	Province of Nova Scotia	February 12, 2007	2,658	2,658
4.875	Province of Ontario	June 2, 2004	3,563	3,543
5.375	Province of Ontario	December 2, 2012	1,764	1,756
6.100	Province of Ontario	December 2, 2011	2,547	2,467
6.200	Province of Ontario	November 19, 2009	2,901	2,740
6.250	Province of Ontario	March 8, 2005	1,670	1,679

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
6.500	Province of Ontario	March 8, 2029	3,186	3,137
7.500	Province of Ontario	January 19, 2006	2,247	2,216
7.600	Province of Ontario	June 2, 2027	2,460	2,221
FR	Province of Ontario	February 1, 2006	1,651	1,652
FR	Province of Ontario	January 24, 2005	6,091	6,093
6.500	Province of Quebec	December 1, 2005	3,203	3,078
6.500	Province of Quebec	October 1, 2007	2,353	2,304
4.750	Province of Saskatchewan	December 1, 2006	2,028	1,982
5.500	Province of Saskatchewan	June 2, 2008	1,038	990
	Quanta Services Inc	U.S. Equity	347	799
	Radioshack Corp	U.S. Equity	598	804
7.183	RBC Capital Trust	December 29, 2011	1,086	1,025
7.288	RBC Capital Trust	December 29, 2049	2,285	2,196
6.500	Royal Bank of Canada	September 12, 2006	934	923
6.750	Royal Bank of Canada	June 4, 2007	1,198	1,128
7.100	Royal Bank of Canada	January 25, 2010	1,796	1,658
	Royal Bank of Canada	Canadian Equity	3,953	2,820
	Safeway Inc	U.S. Equity	1,067	1,283
	Saskatoon Office	Canadian Equity	25	25
	SBC Communications Inc	U.S. Equity	608	610
	Schering Plough Corp	U.S. Equity	1,116	804
7.400	Shaw Communications Inc	October 17, 2007	1,775	1,806
	Smithfield Foods Inc	U.S. Equity	567	626
	Smucker J.M Company	U.S. Equity	9	10
6.170	Strait Crossing Dev. Inc	September 15, 2031	994	1,104
6.150	Sun Life Assurance Co	June 30, 2012	375	374
6.865	Sun Life Capital Trust	December 29, 2049	2,564	2,531
	Sun Microsystems Inc	U.S. Equity	516	394
6.700	Suncor Energy Inc	August 22, 2011	1,331	1,302
	Symantec Corp	U.S. Equity	261	239
	Talbots Inc	U.S. Equity	487	604
	Talisman Energy Inc	Canadian Equity	1,131	859
	Teknion Corp	Canadian Equity	881	2,649
7.500	Telus Corp	June 1, 2006	3,479	3,510
	Templeton Global Equity Trust	Pooled Fund	7,000	4,812
	Teriet Healthcare Corp	U.S. Equity	1,105	1,499

Interest Rate %	Security	Maturity Date	Proceeds	Carrying Amount
			(thousands of dollars)	
	Texas Instruments	U.S. Equity	319	523
	TJX Companies	U.S. Equity	394	159
6.550	Toronto Dominion Bank	July 31, 2007	521	488
7.600	Toronto Dominion Bank	December 31, 2009	1,882	1,813
	Toronto Dominion Bank	Canadian Equity	13,885	16,681
6.792	Toronto Dominion Capital Trust	December 31, 2012	1,054	1,013
7.600	Toronto Dominion Capital Trust	December 31, 2009	2,660	2,524
6.050	Transalta Corp	January 16, 2006	1,640	1,611
	Transalta Corp	Canadian Equity	1,314	1,727
6.280	Transcanada Pipelines Ltd	May 26, 2028	758	793
6.890	Transcanada Pipelines Ltd	August 7, 2028	2,094	2,085
	Transcanada Pipelines Ltd	Canadian Equity	249	242
	Travelers Property Casualty Corp	U.S. Equity	53	75
5.350	Trillium Credit Card Trust	February 23, 2004	534	525
	Tyco International Ltd	U.S. Equity	681	1,736
	Washington Mutual Inc	U.S. Equity	94	96
	Waters Corp	U.S. Equity	174	289
6.450	Westcoast Energy Inc	December 18, 2006	927	922
	Worldcom Inc	U.S. Equity	69	876
			$ 1,147,526	$ 1,149,666

Exhibit 3:
Statement of Investment Acquisitions

Year ended December 31, 2002

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			(thousands of dollars)	
9.000	407 International	August 15, 2007	$30	$33
	50 Bloor Street West	Canadian Equity		2,101
	AGF Management	Canadian Equity		769
	Airways III	Canadian Equity		75
	Alliant Techsystems Inc	U.S. Equity		669
	American Int'l Group	U.S. Equity		81
	Amgen Inc	U.S. Equity		389
	Anheuser-Busch Co. Inc	U.S. Equity		55
4.300	Associates Capital	January 11, 2005	800	800
5.030	Associates Capital	September 17, 2007	604	604
5.750	Associates Capital	August 17, 2006	1,179	1,203
	ATI Technologies	Canadian Equity		4,845
	Autozone Inc	U.S. Equity		1,038
	Bank of America Corp	U.S. Equity		273
	Bank of Montreal	Canadian Equity		1,221
	Bank of Nova Scotia	Canadian Equity		1,871
	Barrick Gold Corp	Canadian Equity		1,353
6.750	BCE Inc	October 30, 2007	1,696	1,693
6.626	BNS Capital Trust	June 30, 2012	1,259	1,259
	Bombardier Inc	Canadian Equity		793
	Bramalea City Centre	Canadian Equity		608
	Brinker Int'l Inc	U.S. Equity		104
	CAE Inc	Canadian Equity		233
	Cameco Corp	Canadian Equity		490
5.300	Canada Housing and Mortgage Corp	December 3, 2007	1,035	1,034
6.668	Canada Life Assurance Company	June 30, 2012	696	696
	Canadian National Railway	Canadian Equity		1,905
	Canadian Natural Resources Ltd	Canadian Equity		1,509
5.700	Canadian Tire	June 9, 2008	339	338
4.820	Canadian Tire Receivable Trust	December 20, 2007	1,056	1,056
	Capital One Financial Co	U.S. Equity		546
	Cardinal Health Inc	U.S. Equity		343
	Carnival Corp	U.S. Equity		411
	CGI Group Inc	Canadian Equity		152
	Chevrontexaco Corp	U.S. Equity		232
	Church & Dwight Co. Inc	U.S. Equity		80

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			(thousands of dollars)	
	Citigroup	U.S. Equity		291
5.943	Column Canada	February 12, 2012	1,006	1,006
	Computer Associates International	U.S. Equity		152
	Conocophillips	U.S. Equity		84
	Cott Corp.	Canadian Equity		2,404
	Decoma Intl.	Canadian Equity		940
	Domtar Inc.	Canadian Equity		1,245
	Duke Power Co.	U.S. Equity		16
	El Paso Corp.	U.S. Equity		6
	Encana Corporation	Canadian Equity		7,600
	Exxon Mobil Corp.	U.S. Equity		79
5.151	Falcon Trust Comm. Mtg.	January 15, 2011	1,017	1,017
	Federal National Mortgage Association	U.S. Equity		217
	Fedex Corporation	U.S. Equity		1,104
	Finning Int'l Inc.	Canadian Equity		940
	Forzani Group Ltd.	Canadian Equity		1,530
5.300	GE Capital Canada Funding Co.	July 24, 2007	2,752	2,759
FR	GE Capital Canada Funding Co.	January 5, 2005	780	780
	General Electric Co.	U.S. Equity		25
6.869	Genesis Trust Power Line of Credit	February 15, 2005	2,422	2,612
5.590	Gloucester Credit Card Trust	June 15, 2007	1,400	1,400
5.693	Gloucester Credit Card Trust	March 15, 2006	222	233
3.500	Government of Canada	June 1, 2004	193,316	193,004
4.000	Government of Canada	December 1, 2031	5,350	6,552
4.500	Government of Canada	September 1, 2007	24,527	24,834
5.000	Government of Canada	September 1, 2004	37,569	38,741
5.250	Government of Canada	June 1, 2012	213,647	212,403
5.250	Government of Canada	June 1, 2013	25,564	25,663
5.250	Government of Canada	September 1, 2003	12,349	12,699
5.750	Government of Canada	June 1, 2029	17,497	17,506
5.750	Government of Canada	June 1, 2033	129,635	131,690
5.750	Government of Canada	September 1, 2006	121,385	127,561
6.000	Government of Canada	June 1, 2008	2,223	2,339
6.000	Government of Canada	June 1, 2011	27,012	28,009
5.995	Great West Life Capital Trust	December 31, 2012	1,357	1,357
	Greystone EAFE Plus Fund	Pooled Fund		52,375

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			(thousands of dollars)	
6.250	GTAA	January 30, 2012	1,494	1,493
7.100	GTAA	June 4, 2031	922	943
5.672	Hollis Receivables Term Trust	April 26, 2006	1,223	1,282
	Home Depot Inc.	U.S. Equity		256
7.150	Hydro One Inc.	June 2, 2006	650	707
	Intel Corp.	U.S. Equity		462
5.500	Intl. American Dev. Bank ($EMU)	March 30, 2010	920	1,291
	IPSCO Inc.	Canadian Equity		349
	ITT Industries Inc.	U.S. Equity		921
	KB Home	U.S. Equity		486
	KBSH Canadian Corporate Bond Fund	Pooled Fund		37,069
	KS Equities Inc.	Canadian Equity		19
	Laboratory Corp. of America	U.S. Equity		1,691
	Lennar Corp.	U.S. Equity		549
	Loblaw Companies Ltd.	Canadian Equity		903
	Magna Int'l Inc.	Canadian Equity		1,881
6.700	Manulife Financial Capital Trust	June 30, 2012	1,116	1,140
	Manulife Financial Corp.	Canadian Equity		3,265
	Marriott Intl Inc.	U.S. Equity		50
	Masonite Intl. Corp.	Canadian Equity		862
	Meridian Gold Inc.	Canadian Equity		2,469
5.350	Merrill Lynch	November 19, 2007	1,365	1,364
5.660	Merrill Lynch	November 12, 2033	201	202
	Microsoft Corp.	U.S. Equity		451
	Mohawk Industries Inc.	U.S. Equity		1,066
	Molson Inc.	Canadian Equity		5,868
	Occidental Pete Corp.	U.S. Equity		890
5.700	Ontrea Inc.	October 31, 2011	1,729	1,740
	Open Text Corp.	Canadian Equity		811
	Oracle Corp.	U.S. Equity		55
	Pactiv Corp.	U.S. Equity		1,115
	Patheon Inc.	Canadian Equity		92
	Penn West Petroleum Limited	Canadian Equity		1,075
	Petro-Canada	Canadian Equity		2,235
	Pfizer Inc.	U.S. Equity		201
	Power Corp. of Canada	Canadian Equity		1,271

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			(thousands of dollars)	
	Power Financial Corp.	Canadian Equity		1,034
	Praxair Inc.	U.S. Equity		280
	Procter & Gamble Co.	U.S. Equity		1,602
5.750	Province of British Columbia	January 9, 2012	1,001	1,022
6.350	Province of British Columbia	June 18, 2031	1,335	1,405
FR	Province of British Columbia	June 12, 2007	4,367	4,367
5.250	Province of Manitoba	December 3, 2012	3,564	3,549
5.875	Province of New Brunswick	December 6, 2012	1,334	1,371
FR	Province of Nova Scotia	February 12, 2007	2,661	2,658
5.200	Province of Ontario	March 8, 2007	2,400	2,436
5.250	Province of Ontario	March 8, 2005	1,594	1,686
5.375	Province of Ontario	December 2, 2012	1,761	1,756
6.100	Province of Ontario	December 2, 2011	3,541	3,658
6.200	Province of Ontario	June 2, 2031	2,670	2,753
6.500	Province of Ontario	March 8, 2029	2,000	2,181
7.500	Province of Ontario	January 19, 2006	2,037	2,255
FR	Province of Ontario	February 1, 2006	3,359	3,358
FR	Province of Ontario	January 24, 2005	3,411	3,410
5.250	Province of Quebec	June 1, 2032	2,002	2,032
6.000	Province of Quebec	October 1, 2012	4,068	4,032
6.250	Province of Quebec	December 1, 2010	1,335	1,413
5.250	Province of Saskatchewan	December 3, 2012	1,940	1,934
5.750	Quebec Finance Corp.	December 1, 2008	992	1,047
	Quebecor World Inc.	Canadian Equity		796
	Rodick Equities Inc.	Canadian Equity		467
	Royal Bank of Canada	Canadian Equity		1,976
	Royal Group Technologies Ltd.	Canadian Equity		3,857
	Rutherford Properties Ltd.	Canadian Equity		1,775
	Safeway Inc.	U.S. Equity		39
	Saputo Inc.	Canadian Equity		2,789
	SBC Communications Inc.	U.S. Equity		446
	Schering Plough Corp.	U.S. Equity		50
	Seven Oaks Equities Inc.	Canadian Equity		36
	Shoppers Drug Mart Corp.	Canadian Equity		5,541
	Smucker J.M. Company	U.S. Equity		10
	SNC-Lavalin Group Inc.	Canadian Equity		2,404

Interest Rate %	Security	Maturity Date	Par Value	Carrying Amount
			(thousands of dollars)	
6.150	Sun Life Assurance Co	June 30, 2012	1,943	1,940
6.865	Sun Life Capital Trust	December 29, 2049	1,300	1,331
7.400	Swift Trust	December 7, 2008	2,135	2,135
	Symantec Corp	U.S. Equity		1,221
	Talisman Energy Inc	Canadian Equity		1,248
	Templeton Global Equity Trust	Pooled Fund		2,003
	Tenet Healthcare Corp	U.S. Equity		87
	Texas Instruments	U.S. Equity		216
	TJX Companies	U.S. Equity		74
	Toronto Dominion Bank	Canadian Equity		1,429
6.792	Toronto Dominion Capital Trust	December 31, 2012	1,013	1,013
	Transalta Corp	Canadian Equity		449
	Transcanada Pipelines Ltd	Canadian Equity		1,320
	Travelers Property Casualty Corp	U.S. Equity		75
	Tyco International Ltd	U.S. Equity		16
	US Bancorp Del	U.S. Equity		202
	Washington Mutual Inc	U.S. Equity		103
	Waters Corp	U.S. Equity		342
5.500	Wells Fargo Financial Canada Corp	June 15, 2007	1,058	1,056
			$ 894,165	$ 1,096,244

WCB SASKATCHEWAN WORKERS' COMPENSATION BOARD

200 - 1881 Scarth Street
Regina, Saskatchewan
S4P 4L1

Ph: (306) 787-4370
1-800-667-7590
Fax: (306) 787-3915

Visit our website:
www.wcbsask.com